

Effective 31 October 1997

Financial Administration
Control of Financial Resources

This UPDATE printing publishes a revised regulation which is effective 31 October 1997. Because of the extensive changes made, no attempt has been made to highlight changed material.

For the Commander:

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Official:

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Summary. This regulation provides United States Army Recruiting Command policies and procedures on the control of financial resources. It also specifies the duties and responsibilities of all personnel involved in establishing and maintaining administrative control of funds.

Applicability. This regulation applies to Headquarters, United States Army Recruiting Command directorates and special staff sections, recruiting brigades, and recruiting battalions, all of which are responsible for administering funds

issued to them.

Impact on New Manning System. This regulation does not contain information that affects the New Manning System.

Supplementation. Supplementation of this regulation is prohibited.

Suggested improvements. The proponent agency of this regulation is the Office of the Director of Resource Management. Users are

invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQ USAREC (RCRM-SFA), Fort Knox, KY 40121-2726.

Distribution. Distribution of this regulation has been made in accordance with USAREC Pam 25-30, distribution C. This regulation is published in the Recruiting Brigade and Battalion Operations UPDATE.

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Chapter 1

Introduction

1-1. Purpose

a. This regulation provides United States Army Recruiting Command (USAREC) policies and procedures on the control of financial resources. It also specifies the duties and responsibilities of all personnel involved in establishing and maintaining administrative control of funds.

b. The Director of Resource Management has been delegated overall responsibility for financial resources. All personnel assigned to the control of financial resources share in this management.

1-2. References

For required and related publications and blank forms see appendix A.

1-3. Explanation of abbreviations

Abbreviations used in this regulation are explained in the glossary.

1-4. Objectives

- a. To integrate programming, budgeting, and

financial control processes.

- b. To define responsibility for fund control.

c. To place control of available resources at the level of responsibility for managers to accomplish missions within the constraints outlined in funding documents.

d. To assure control of financial resources in accordance with statutory and regulatory limitations.

e. To provide flexibility to react to mission changes.

1-5. Policies

a. The Commanding General (CG), USAREC, has the overall responsibility for management and control of funds. Authority to administratively supervise control of funds in accordance with DFAS-IN Reg 37-1 may be delegated to the Director of Resource Management. This includes the authority to further distribute funds received and to impose requirements to maintain control of such funds pursuant to DFAS-IN Reg 37-1, paragraph 6-17a. Fund certification authority must be delegated, in writing, by the CG USAREC to the Director of Resource Management, who, in turn, makes the necessary delegations to other Headquarters, United States Army Recruiting Command (HQ USAREC) directors in writing.

b. Financial control will be decentralized and aligned with management responsibility.

- c. Obligation and expense target ceilings will

*This regulation supersedes USAREC Regulation 37-12, 8 April 1996.

serve as the mechanism to provide managers with financial resources.

d. Individual obligation and expense target ceilings should not be exceeded.

e. Automated procedures will be used to the maximum extent possible to provide data essential to financial management and control.

f. Obligation and expense targets established are considered targets within the purview of DFAS-IN Reg 37-1. However, any action by an individual which results in exceeding funded obligations and expense targets and contributes to an overobligation of the command's financial resources, as subdivided on funding documents received, may be a basis for naming the individual responsible under the provisions of DFAS-IN Reg 37-1, and subjects the individual to the punitive provisions thereunder.

1-6. Responsibilities

Army policies and procedures for administrative control of funds are designed to restrict obligations and expenditures against each appropriation or fund to the amount available therein. They are further designed to prevent the occurrence of a violation, section 1517, title 31, United States Code. To achieve the Army's objective, principal responsibilities for financial control will be intensified during periods when available funds are nearing a critical point. At these times a precise balance of funds is essential in processing further transactions. Responsibilities in the control process are USAREC-wide as outlined in succeeding paragraphs.

a. Director of Resource Management will:

(1) Serve as principal advisor to the CG on the management and control of financial resources.

(2) Establish and/or interpret policies and procedures for fund control.

(3) Direct an effective accounting and reporting system.

(4) Provide analysis of program accomplishments and resource availability to support management decisions.

(5) Continuously assess the efficiency and effectiveness of controls. This is based on fund control status reports, program execution reviews, real time audits, quality assurance (QA) reviews, and reports of accounting assistance teams.

(6) Develop and publish a command management structure. It will be used for recording transactions to maintain, control, and utilize obligation and expense targets.

(7) Direct the establishment of intensified management procedures, when necessary, to establish firm control of available financial resources and assure full utilization of total resources.

(8) Supervise the command accounting officer, who will:

(a) Maintain the official command accounting function of classifying and recording all transactions, assure that controls over the availability of funds are adequate and exercised in accordance

with DFAS-IN Reg 37-1. Submit reports on the status of funds by program to Department of the Army (DA) and the commander.

(b) Maintain and conduct accounting surveillance and QA functions (AR 11-37). Ensure that adequate internal controls and procedures are developed in all functional areas of financial management. Provide for early detection of errors. Improve the quality of financial services and the accuracy of payments and reports. Assure compliance with finance regulations.

(c) Formulate policies for appropriated funds, financial accounting systems, and procedures.

(d) Provide guidance on the proper use of appropriated funds.

(e) Perform liaison operations with the supporting defense accounting office (DAO) and United States Army Information Systems Command offices to determine and implement remedial action on Standard Finance System (STAN-FINS) problems.

(f) Publish and maintain operating procedures and guidance. These will ensure accurate and timely recording of financial data.

(g) Assure fund ceilings, obligations, and related transactions are established at account levels. These will permit development of summary level data. This is necessary to measure progress, identify trends, and provide data necessary for management at various levels within the command, and meet reporting requirements to higher headquarters.

(h) Identify and document fund control responsibility (DFAS-IN Reg 37-1) at every level of management. Emphasize the fund control responsibilities of HQ USAREC directorates, special staff sections, Rctg Bdes, and recruiting battalions (Rctg Bns).

(i) Review General Accounting Office, Department of Defense (DOD) Inspector General, Army Audit Agency, Inspector General, and other audit and inspection reports relating to financial services administration.

(j) Monitor actions being taken to resolve problem areas and correct deficiencies identified by DA finance and accounting QA reviews.

(k) Monitor accounting systems and financial controls to assure conformance with regulatory and statutory requirements.

(l) Establish administrative procedures to assure control of funds (DFAS-IN Reg 37-1) in order to preclude violations of 31 USC 1517.

(m) Render technical advice to management officials in the use and understanding of financial data and regulatory requirements.

(n) Ensure timely and accurate recording of financial data.

(o) In coordination with the command budget officer, recommend to the Director of Resource Management, the establishment of intensified management procedures when necessary to establish firm control of available financial resources (e.g., at yearend).

(p) Review obligation and expense trends to identify instances where budget activity ceilings have been exceeded. Report that problem to

appropriate directors and budget officers.

(q) Perform the functions of the Custodian of the Secretary of the Army Contingency Funds (.0012) (see AR 37-47).

(9) Supervise the command budget officer, who will:

(a) Direct the development, execution of the USAREC command operating budget (COB) execution reviews, and other budgetary actions.

(b) Execute the USAREC approved budget.

(c) Schedule and coordinate the activities of the Program Budget Advisory Committee.

(d) Coordinate USAREC budget matters with Headquarters, Department of the Army (HQDA) personnel in Office of the Comptroller of the Army; Office of the Corps of Engineers; Office of the Chief, Army Reserve; Office of the Deputy Chief of Staff for Personnel; Office of the Staff for Research, Development, and Acquisition; Office of the Deputy Chief of Staff for Military Operations and Plans; and other major Army commands.

(e) Review actual and planned utilization of funds to ensure continuing balance of financial resources among various USAREC programs. Advise staff elements and the Command Group of trends, imbalances, and recommend reprogramming as necessary. Report to HQDA on obligation plan deviations.

(f) Direct the preparation and coordination of USAREC budgeting system. Develop, integrate, and implement the overall budgeting and funding policies of USAREC, to include requirements and specifications for budget systems, procedures, and reports.

(g) Administer the command cost center budgeting system (i.e., proponent for the USAREC Army management structure (AMS)).

(h) Develop plans and policies and establish objectives to ensure the effectiveness of the command budgeting system.

(i) Monitor and analyze budget submissions from all elements of the command.

(j) Account for the receipt, control, and issuance of fund authorization and allowance documents for all funds controlled by USAREC.

(k) Delegate fund certification authority to the lowest practical levels within the budget area.

b. HQ USAREC Budget Office, Advertising and Public Affairs Directorate, and headquarters budget personnel will:

(1) Furnish properly justified obligation and expense based budgets to the Director of Resource Management.

(2) Distribute obligation and expense ceiling and floors to activities within their program area.

(3) Review and approve adjustments to establish ceiling based on latest funding guidance and changes to financial programs within their area of program responsibility.

(4) Provide the servicing DAO, within the accounting period, all approved requests for reprogramming of obligation and expense levels.

(5) Furnish activities necessary guidance and establish controls to ensure that ceilings are expended on mission-essential requirements.

(6) Ensure that program and requirement slippages, shortfalls, deferrals, cancellations, or causes that result in excess fund ceilings are reported to the Director of Resource Management for necessary reprogramming action.

(7) Analyze utilization progress. Compare actual expenses and commitments to applicable plans and ceilings.

(8) Perform responsibilities assigned to activity directors for ceilings that are not distributed below the program director level.

(9) Ensure that budget and accounting personnel review and reconcile with DAO all unliquidated obligations (ULO), orders, earnings, and collections. Promptly process needed changes.

(10) Maintain the Database Commitment Accounting System (dCAS) commitment records and validate recorded obligations and expenses. All recorded obligation and expense transactions should be reconciled against dCAS and reviewed for proper AMS and element of resource (EOR) coding.

(11) Ensure that each individual assigned responsibility for fund control maintains a desk task list and a detailed standing operating procedure.

(12) Determine when the balance of obligation and expense target is in danger of being exceeded. Immediately notify the Director of Resource Management, explaining the circumstances and requesting guidance on the proper course of action.

c. Rctg Bde commanders and Area Support Group (ASG) commander will:

(1) Be accountable for financial management operations within the command. Delegate certifying authority to the lowest practical activity or subactivity levels within their functional management structure. Fund certification authority must be delegated, in writing, and must be updated whenever changes of the personnel involved occur.

(2) Ensure that each individual, assigned responsibility for fund control, maintains a desk task list and a detailed standing operating procedure.

(3) Distribute obligation and expense targets, and floors to activities within their command.

(4) Review and approve adjustments to established targets based on latest change from the command budget officer to financial programs within their command.

(5) Furnish necessary guidance and establish controls to ensure that targets are used for mission-essential requirements.

(6) Ensure individual(s) delegated fund certification authority cite proper accounting classifications (to EOR and accounting processing code) of funds, record expenses, and/or delegate this responsibility to lower level resource managers.

(7) Analyze programmed funds utilization, comparing with actual obligations, expenses, and commitments on a continuing basis. Report anticipated shortages and excesses to the command budget officer for appropriate action.

(8) Initiate corrective action when activities deviate from established targets.

(9) Promptly process all obligation and expense documents initiated.

(10) Furnish the servicing DAO DD Form 2406 (Miscellaneous Obligation Document) on the first of the month for obligations occurring in that month in all instances (except civilian payrolls) where the formal obligation document is prepared after the end of the month (i.e., General Services Administration vehicles, etc.).

(11) Maintain the dCAS commitment records and validate recorded obligations and expenses. All recorded obligation and expense transactions should be reconciled against dCAS and reviewed for proper AMS and EOR coding.

(12) Use STANFINS automated reports on expenses, undelivered orders, and reimbursable orders on a continuing basis to analyze trends and control funds.

(13) Compare reimbursements earned against orders received on a continuing basis, and promptly process needed change documents.

(14) Determine when the balance of obligation and expense targets are in danger of being exceeded. Immediately notify the command accounting officer, explaining the circumstances and requesting guidance on the proper course of action.

d. Each Rctg Bn commander will:

(1) Be accountable for financial management operations within their command.

(2) Provide the Rctg Bde commander with obligation and expense target requirements.

(3) Receive obligation and expense targets. Establish controls to ensure that targets are expended for mission-essential requirements and are not exceeded.

(4) Ensure that amounts programmed as floors or other limitations are used to the extent of fund availability.

(5) Cite proper accounting processing code and accounting classification on documents initiated to utilize obligation and expense targets.

(6) Promptly process all obligation and expense documents initiated.

(7) Request assistance from the Rctg Bde accounting office in determining criteria for recording obligations and propriety of charges to specific accounts or EOR prior to initiating ordering actions.

(8) Furnish the servicing DAO DD Form 2406 on the first of the month for obligations occurring in that month in instances (except civilian payrolls) where the formal obligation document is prepared after the end of the month.

(9) Maintain dCAS and validate recorded obligations and expenses. All recorded obligation and expense transactions should be reconciled against dCAS and reviewed for proper AMS and EOR coding.

(10) Use STANFINS automated listings and reports on expenses, undelivered orders, and reimbursable orders on a continuing basis to analyze trends and control funds.

(11) Compare reimbursements earned against orders received on a continuing basis, and promptly process needed change documents.

(12) Review trends on a continuing basis, comparing actual obligations, expenses, and commitments to established targets. Make requests to the Rctg Bde commander for necessary changes, to include withdrawal of excesses which may result from program slippages, shortfalls, deferrals, cancellations, or other causes.

(13) Delegate fund certification authority, in writing, and update whenever changes in the personnel involved occur.

1-7. Procedures

Specific procedures of this regulation are found in appendixes B through D.

Chapter 2

USAREC Fund Allowance System

2-1. Policies and procedures

a. USAREC operates under a Fund Allowance System for all appropriations. This system provides specific dollar allowance targets to certain USAREC activities at the headquarters level, Rctg Bde, ASG, and Rctg Bn. This funding target is not considered a subdivision of funds. Exceeding the target may cause the command allocation to be exceeded, therefore, in no way does this system relax the required fund control discipline in place throughout the command.

b. HQ USAREC should be notified of projected overages or shortages of Operation and Maintenance, Army funds; Operation and Maintenance, Army Reserve funds; and Reserve Personnel, Army funds. Appendix B contains procedures to follow when fund allowance target is exceeded. If exceeding the allowance target provided on the funding authorization document causes the command to be over the USAREC allocation, an alleged violation of 31 USC 1517 will have occurred. The individual(s) named as exceeding the allowance provided and causing the alleged violation of 31 USC 1517 will be held responsible and subjected to disciplinary action.

2-2. Distribution of funds

a. All USAREC funds will be controlled and issued by the command budget officer. Selected HQ USAREC directorates, the ASG, and Rctg Bdes will be issued funding allowance targets. USAREC Fm 791-E (Funding Allowance Document) (see fig 2-1) will be used to distribute funds to headquarters activities while DA Form 1323-C (Funding Authorization Document) will distribute funds to Rctg Bdes and the ASG.

b. Funding allowance targets will not be exceeded without a properly documented change. Although the target in itself does not constitute a fund limitation under the provisions of DFAS-IN Reg 37-1, exceeding the target may contribute to an administrative fund violation at the HQ USAREC level. This may be used as the basis for naming that person responsible for exceeding the target as the contributor to an alleged violation of 31 USC 1517.

c. Original funding targets will be developed as part of the COB process. Adjustments will be made by the command budget officer as

changes arise through budget execution reviews, COB submission, or other events requiring target adjustments. Targets will be reflected by program ceilings and/or fenced categories as appropriate.

d. Rctg Bde commanders will distribute funds to Rctg Bns as deemed appropriate. HQ USAREC Budget Office will distribute funds to directors having program responsibilities. All further distribution will be identified by type and in total.

Chapter 3 Fund Accountability and Control

3-1. dCAS

a. dCAS is an effective automated program which maintains a balance of funds available. All USAREC activities having administrative control of funds will monitor their balances by maintaining dCAS. The dCAS User's Manual provides detailed information on the use of the dCAS.

b. dCAS:

(1) Is designed to display a full history of transactions.

(2) Transmits records to the DAO. Receives downloads from STANFINS showing the actual obligations.

(3) Allows the operator to determine, at any time, the amount of funds available for commitment and year-to-date balance.

c. Although the dCAS is an efficient fund control tool, it is not the official accounting record. STANFINS is the Army's official accounting system which records and reports all funds received and obligations incurred against these funds. dCAS, which is a commitment accounting system, allows the accounting technician to monitor entries made into STANFINS by the servicing DAO.

d. dCAS will upload the obligations in STANFINS into a personal computer, eliminating the need to manually post obligations.

3-2. Financial controls

a. Directors and commanders at all levels must establish internal controls to ensure the most effective use of appropriated funds is obtained. These controls must also ensure that obligations and expenses incurred do not exceed funding targets, and yet attain maximum utilization for the periods.

b. Control will be accomplished through analysis of targets provided as compared to actual cost, projected recurring cost, and realistic appraisal of nonrecurring costs. Recurring costs will include items that are stable, critical to support, necessary to carry out missions that cannot be stopped or materially reduced during the period being analyzed such as civilian payrolls, communications, utilities, vehicles, rentals, recruiter expense allowance, and maintenance contracts. Nonrecurring costs will include supplies, equipment, and one-time nonrecurring items. All items should be setup in order of priority to ensure continuance of assigned mis-

sions. Analysis will be made on a timely basis, as often as necessary, to ensure control and determine the need for reprogramming, but not less than the end of each of the first two months of a quarter, and weekly during the third month of a quarter. All outstanding commitments and estimated costs for civilian labor and stock fund issues for the balance of the quarter will be used in making the analysis. It is essential that the analysis identify shortages or excesses on a timely basis.

c. HQ USAREC Budget Office, Rctg Bdes, ASG, and Rctg Bns must realign targets between accounts when analysis indicates shortages or excesses. If excesses develop, they must be reported to the command budget officer, to permit possible redistribution to the highest priority unfinanced requirements or for return to higher headquarters. If shortages develop, they must be reported. If appropriate, secure additional target, or action must be initiated to reduce operations to remain within available balance.

3-3. Obligation principles

The following general criteria has been established by DA for establishing and recording obligations.

a. All contracts or orders for goods and services must be intended to meet a bona fide need of the fiscal year (FY).

b. Responsible officials must ensure that funds are available before entering into a binding agreement on behalf of the Government.

c. Obligations incurred will be charged immediately against the applicable appropriation. Once an obligation is incurred it shall be recorded promptly whether or not funds are available.

d. Caution will be exercised to assure that funds are charged solely for the purpose for which the appropriations were designated.

e. Recorded obligations will be adjusted promptly upon receipt of documentary evidence indicating that the liability established should be adjusted.

f. Certain transactions may require administrative lead time. In such instances, where goods or services chargeable to appropriations of the ensuing year must be processed prior to fund availability, the appropriate document will bear the clause, "The Government's obligation, hereunder, is made contingent upon Congress enacting appropriations." However, no goods or services will be accepted from a vendor until funding authority for the new FY has been received.

g. Obligations will only be recorded when supported by documentary evidence. This will provide a clear audit trail and substantiate the validity of an obligation. Further detailed guidance on obligation rules by EOR is contained in DFAS-IN Reg 37-1.

3-4. Delegation of authority

In accordance with DFAS-IN Reg 37-1, the CG is responsible for the administrative control of funds allotted to this command. This responsibility and the authority to establish policy for

proper control of funds is delegated to the Director of Resource Management. The Director of Resource Management will, in turn, delegate proper authority to all Rctg Bde commanders, the ASG commander, and certain HQ USAREC directors. This may be done by position or name. Commanders and directors may further delegate within their organizations as needed. Commanders, at all levels, who delegate this authority remain responsible for possible violations which result from failure to comply with fund control policies or procedures. The following additional guidance on delegations must be adhered to:

a. Delegations of authority will be in writing (see fig 3-1).

b. Delegations may include the authority to further distribute funds and further delegations.

c. Delegations will remain in effect as long as the delegator and delegatee remain in their positions.

3-5. Reconciliations

a. This section provides guidance necessary to ascertain the validity of reported resource data. It establishes procedures for continuing reviews of the ULO files. It ensures that all recorded transactions are supported by appropriate documents and represent valid obligations. A periodic, timely, and coordinated review must take place at least once every 4 months, and specifically at yearend, between DAO personnel and activities within the command. Followup action should be taken on long outstanding and inactive transactions. A reconciliation of reimbursable activity is also necessary.

b. These procedures apply to all resource managers authorized to certify funds and control ceilings.

c. Concept.

(1) For accurate accounting records and effective fund control, the key status and expenditure reports must be reconciled each month. These reconciliations are critical to identify automated records and reports that are in error or out-of-balance, and to ensure that the most reliable data is provided to management for use in managing funds. Accounting personnel should reconcile status of funds (i.e., allotments, orders received, obligations, disbursements, and appropriation reimbursements) before this data is reported to higher levels of management. Procedures must be implemented that identify:

(a) Which reconciliations are to be made.

(b) When they are to be made.

(c) How reconciliations are to be made and documented.

(d) What action is to be taken on disclosed differences.

(2) At the beginning of each FY, the servicing DAO should develop a schedule which includes the joint review of ULO by the DAO accounting branch and the serviced activities. (To conserve temporary duty funds, the face-to-face (joint review) reviews will normally be between the DAO and the Office of the Comptroller at Rctg Bdes. Rctg Bn budget and accounting technician will

only attend those reviews on an exception basis.) The reviews will be scheduled three times a year as required by DFAS-IN Reg 37-1. The reviews should be conducted in the following manner:

(a) Under a cover memorandum, each HQ USAREC, Rctg Bde comptroller, and ASG comptroller should be sent three copies of the non-stock funds orders and payables (NSFOP) listings at activity level.

(b) The memorandum should request that the listing be reviewed for validity and the proper annotations be made.

(c) The form should establish a date and time for a joint review of listings (see (2) above) by DAO and activity personnel.

(d) On the scheduled date the listings should be reviewed, items in question annotated, necessary corrections agreed upon, and the servicing DAO will input into the system during the same accounting period.

(e) Followup action should be performed by budget and accounting personnel to assure that corrections agreed upon were made correctly.

(f) A checklist should be utilized to determine if any purchase orders and/or contracts have been issued but not obligated.

1. Have latest cost listings been reviewed to determine if any purchase orders and/or contracts have been issued but not obligated?

2. Have records been adjusted for cancellations?

3. Have records been adjusted for modifications (increases and/or decreases)?

4. Have any intra-Army reimbursable orders been accepted but not recorded?

5. Are receiving reports being prepared and processed promptly to preclude excess funds being tied up on delivery orders of requirement type contracts?

(3) In addition to the joint review explained above, USAREC budget and accounting personnel will make the following continuous review of ULO:

(a) Daily followup on aged ULO; prepare followup correspondence on temporary duty travel; compare ULO amounts to vendor pay files when time permits; and analyze NSFOP listings.

(b) Periodically (as a minimum twice annually) compare vendor pay files to the NSFOP listing. Any differences should be researched and resolved. Followup correspondence to vendors should be prepared by the Vendor Pay Section. Followup for receiving reports is jointly accomplished by the Vendor Pay Section and accounting personnel.

(4) Reimbursable orders received, increase the obligation authority of the accepting (performing) activity and create obligations for the ordering activity (customer). Any delay in recording reimbursable orders received as well as the recording of related customers' obligations, has the effect of significantly understating both the obligation authority of the performing activity and the obligations of the customers' funds. But more importantly, erroneous information on the fund status reports has the potential of causing overobligations for both the performing activity

and the customer. Systems and procedures must be adequate to ensure that all reimbursable support is charged to the proper customers on a monthly basis. Actions required to adequately support the reimbursement program include:

(a) Recording orders received at the time reimbursable orders or estimates of reimbursable services are received from customers.

(b) When accounting for customers' funds, recording earnings at the time accruals are accepted by the performing activity.

(c) Being certain that a valid order or estimate has been received from customers before services are performed.

(d) Obtaining additional funds from customers before billing on a reimbursable order if the amounts made available on the original order are insufficient.

(e) Promptly notifying customers of any excess funds available for withdrawal, particularly prior to 30 September. This is performed by performing activity preparing the change order and returning excess funds to ordering activity.

3-6. Continuing resolution authority

a. Purpose. Congressional enactment of the continuing resolution authority (CRA) is often necessary to provide interim funding for each new year's activity pending enactment of the DOD Appropriations Act. Consequently, this regulatory guidance is needed to define the parameters of operation in the absence of an appropriate HQDA publication.

b. This regulation applies:

(1) To single and/or multiyear appropriated funds made available to USAREC through funds distribution and customer orders.

(2) Indirectly to the working capital funds operated by elements of USAREC.

c. Policy. CRA funds mission requirements, procurement, and production up to the value of temporary Treasury Warrants released by the Treasury. If Congress indicates a restriction on new starts, applicable programs are accordingly deferred by DA appropriation directors, and funding is withheld from the temporary Treasury Warrants.

d. Responsibilities. The responsibilities set forth in previous chapters are equally applicable under CRA.

e. Procedures.

(1) USAREC's obligation plans for the first quarter of each new FY serve as the basis for the temporary Treasury Warrants requested by DA. Actual obligation and expenditure limitations based on the temporary Treasury Warrants are documented on the initially released funding allowance documents.

(2) Within the policy set forth in c above, obligations and expenditures for the following type of requirements continue without interruption:

(a) Payroll.

(b) Travel of personnel.

(c) First and second destination transportation.

(d) Rentals, communications, and utility serv-

ices.

(e) Contractual services.

(f) Purchasing and requisitioning supplies and equipment.

(g) Reimbursement orders. However, the acceptance of reimbursable orders augments the amount of each obligation and expenditure limitation.

f. Final authority. In the event of conflicts between this chapter and other provisions of the CRA or special Office of the Secretary of Defense and DA related policy guidance for a particular year, the CRA language and/or the special guidance shall govern.

Chapter 4 Violations and Penalties

4-1. Violations and penalties

A violation of 31 USC 1517 occurs when any officer or employee authorizes obligations, disbursements, or further makes a distribution in excess of the amount of funds made available which may cause the command to exceed its allocations. Alleged violations must be reported, investigated, and if confirmed, enforced by penalties as stated in DFAS-IN Reg 37-1. Each individual assigned fund control responsibilities will read DFAS-IN Reg 37-1, chapter 6, and this regulation, and become familiar with the requirements for the administrative control of funds.

FUNDING ALLOWANCE DOCUMENT

(For use of this form see USAREC Reg 37-12)

1. ISSUED BY: DIRECTOR, RESOURCE MANAGEMENT HQ USAREC FORT KNOX, KY 40121-2726				2. ISSUED TO: DIRECTOR, PERSONNEL FORT KNOX KY 40121-2726			
3. OPERATING AGENCY CODE 38		4. ADVICE NUMBER 93-138		5. FISCAL YEAR 1993		6. ALLOT SERIAL NUMBER 8307	
7. STATION NUMBER 12102		8. CHANGE NUMBER 010		9. EFFECTIVE DATE 05/04/93		10. DATE ISSUED 05/04/93	
11. APPROPRIATION OR PROGRAM	12. ANNUAL ALLOWANCE PROGRAM (1)			13. QUARTERLY ALLOWANCE (2) (3)			
	AMOUNT PREVIOUSLY AVAILABLE	INCREASE OR DECREASE	REVISED NET AMOUNT	AMOUNT PREVIOUSLY AVAILABLE	INCREASE OR DECREASE	REVISED NET AMOUNT	
OMA (2020)							
P7-CEN-SUP	\$ 0	\$ 0	\$ 0				
P8-TRAINING	2,718,000	0	2,718,000				
P8 - OTHER	1,020,000	65,000	1,085,000				
P95-QRIP	0	0	0				
TOTAL OMA	\$ 3,738,000	\$ 65,000	\$ 3,803,000	\$ 3,425,000	\$ 50,000	\$ 3,475,000	
14. ALLOWANCE (2) (3) TOTAL DIRECT	1ST QUARTER		2D QUARTER		3D QUARTER		4TH QUARTER
	\$ 968,000		\$ 2,270,000		\$ 3,475,000		\$ 0
15.	INCREASE/DECREASE		REVISED NET AMOUNT				
P871711/98:	65,000		1,085,000				
P871712:	0		0				
P878751:	0		0				
P879733:	0		0				
REMARKS:							
RETURN OF AWARDS FROM RO							
PAGE 1 OF 2							
NAME AND TITLE OF APPROVING OFFICIAL					SIGNATURE:		
WILLIAM R. VINCENT, JR., COL., GS, DIR, RML					/signed/		

USAREC Fm 791-E, Rev 1 Oct 93 (Previous editions are obsolete)

Figure 2-1. Sample of a completed USAREC Fm 791-E

FUNDING ALLOWANCE DOCUMENT

(For use of this form see USAREC Reg 37-12)

1. ISSUED BY: DIRECTOR, RESOURCE MANAGEMENT HQ USAREC FORT KNOX, KY 40121-2726		1. ISSUED TO: DIRECTOR, PERSONNEL FORT KNOX KY 40121-2726	
3. OPERATING AGENCY CODE 38	4. ADVICE NUMBER 93-138	5. FISCAL YEAR 1993	6. ALLOT SERIAL NUMBER 8307
7. STATION NUMBER 12102	8. CHANGE NUMBER 010	9. EFFECTIVE DATE 05/04/93	10. DATE ISSUED 05/04/93

THE AMOUNTS CONTAINED HEREIN PROVIDE FUND ALLOTMENT TARGETS, AND AS TARGETS, ARE NOT SUBJECT TO THE PROVISIONS OF 31 USC SECTION 1517.

TARGET VALUES MUST BE INCLUDED IN THE MONTHLY STATUS REPORTS.

FOOTNOTES:

(1) THIS DOCUMENT IS ISSUED UNDER THE FUND ALLOWANCE SYSTEM, IAW USAREC REG 37-12.

ALLOWANCES, ALTHOUGH IN SPECIFIC DOLLAR VALUES AND AVAILABLE FOR PRESCRIBED TIME PERIODS, ARE NOT FORMAL SUBDIVISIONS OF APPROPRIATED FUNDS AND, THEREFORE, ARE NOT LIMITATIONS SUBJECT TO THE ANTI-DEFICIENCY STATUTES. HOWEVER, EXCEEDING THIS ALLOWANCE MAY RESULT IN THE RECIPIENT BEING NAMED AS A RESPONSIBLE INDIVIDUAL IN A REPORT OF INVESTIGATION CONDUCTED IAW AR 37-1. COMMANDERS ARE RESPONSIBLE FOR ASSURING THE EXECUTION OF MISSION REMAINS WITHIN THE FUND ALLOWANCE PROVIDED. APPROPRIATE MEASURES WILL BE TAKEN TO ENSURE ADEQUATE FUND CONTROL PROCEDURES ARE IMPLEMENTED AND EXCEEDING OF THESE ALLOWANCES MAY WARRANT ADMINISTRATIVE DISCIPLINARY ACTION. COMMANDERS WILL NOTIFY HQ USAREC, RCRM-B, OF ANTICIPATED FUND ALLOWANCE SHORTAGES OR OVERAGES. EXCEEDING THIS ALLOWANCE WILL REQUIRE ACTION IAW APPENDIX B, USAREC REG 37-12.

(2) THE CUMULATIVE AMOUNTS (FUNDING ALLOWANCE BY QUARTER) ARE TARGETS THROUGH THE LAST DAY OF THE QUARTER INDICATED. OBLIGATIONS INCURRED IN EXCESS OF THE CUMULATIVE AMOUNTS DURING THE PERIOD INDICATED ARE REPORTABLE AS DESCRIBED IN FOOTNOTE (1) ABOVE.

(3) CUMULATIVE QUARTERLY OBLIGATIONS, AS INCREASED BY AUTOMATIC REIMBURSABLE ORDERS RECEIVED, ARE SUBJECT TO THE PROVISIONS OF FOOTNOTE (1) ABOVE.

(4) LEGAL LIMITATIONS FOR USE OF FUNDS ARE STATED IN THE DOD APPROPRIATIONS ACT AND DOD AUTHORIZATION ACT WHICH CAN BE OBTAINED THROUGH YOUR LOCAL SJA.

Figure 2-1. Sample of a completed USAREC Fm 791-E (Continued)

(Appropriate Office Symbol)

Date

MEMORANDUM FOR Name of Person Being Delegated Authority

SUBJECT: Delegation of Authority

1. Effective (date) you are appointed as: Funds Control Officer.
2. Authority: DFAS-IN Reg 37-1, chapter 6.
3. Purpose: Obligate funds of the (activity) and/or maintain administrative control of funds.
4. Period. Indefinite or until superseded by proper authority.
5. Special instructions: Individual authorized to obligate appropriated funds will become thoroughly acquainted with the provisions of 31 USC 1517, DFAS-IN Reg 37-1, and USAREC Reg 37-12. Individual will, by completing 1st End of this appointment, provide the undersigned a statement that he or she has reviewed the contents of the above and is thoroughly acquainted with the provisions thereof. This requirement will be met before appointment of duties. When certifying availability of funds, you are attesting that funds are, in fact, available and the accounting classification is correct as sited.

/s/

Commander or Comptroller

(Appropriate Office Symbol) 1st End

Date

Your name, grade, Social Security, Number, unit address

FOR Commander or Comptroller and Unit Address

I have reviewed the provisions of 31 USC 1517 and appropriate regulatory guidance mentioned in basic correspondence and I am thoroughly acquainted with the provisions thereof.

/s/

Name

Duty position

Figure 3-1. Sample delegation of authority

**Appendix A
References**

**Section I
Required Publications**

AR 11-37

Army Finance and Accounting Quality Assurance Program.

AR 37-47 with USAREC Suppl 1 thereto

Contingency Funds of the Secretary of the Army.

DFAS-IN Reg 37-1

Finance and Accounting Policy Implementation.

STANFINS User's Manual

**Section II
Related Publications**

AR 37-100

Account/Code Structure.

AR 210-50

Housing Management.

AR 215-1

Administration of Army Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities.

AR 360-81 with USAREC Suppl 1 thereto

Command Information Program.

USAREC Reg 11-1

Assignment of Program and Budget Responsibilities.

USAREC Reg 25-10

Telecommunications Management.

USAREC Reg 37-14

Travel and Conferences.

USAREC Reg 37-16

Recruiter Expense Allowance.

USAREC Reg 55-2

Applicant Meals, Lodging, Travel, and Accountability of Negotiable Media and Meal Tickets.

USAREC Reg 56-1

Management of Government-Owned Vehicles.

USAREC Reg 715-1

Procurement Management and Control.

**Section III
Required Form**

USAREC Fm 791-E

Funding Allowance Document.

**Section IV
Related Forms**

DA Form 1323-C

Funding Authorization Document.

DD Form 2406

Miscellaneous Obligation Document.

**Appendix B
Procedures for Funding Violations**

B-1. Purpose

This appendix prescribes procedures to follow when the fund allowance target is exceeded. Through these fund allowance targets, the authority is given to commit, obligate, disburse, and further distribute designated appropriated funds. This allowance target is a management device which a holder may use up to the amount specified (it is a ceiling). Exceeding this ceiling does not constitute a violation of the Anti-Deficiency Statutes, 31 USC 1517 (formerly RS 3679). However, if exceeding the allowance targets provided on the funding allowance document causes the CG, USAREC, to exceed fund allocation, a violation of 31 USC 1517 will have occurred. The individual(s) named as exceeding the allowance target and causing the violation of 31 USC 1517 will be held responsible and may be subjected to disciplinary action (see DFAS-IN Reg 37-1).

B-2. Applicability

This procedure applies to all commands and activities of USAREC to which appropriated funds are made available.

B-3. Responsibilities

HQ USAREC directors, ASG, and Rctg Bde commanders to whom allowance targets are distributed, are responsible for establishing and maintaining effective fund controls to preclude overdistribution and overobligation of the funding allowance targets.

B-4. Procedures to follow if allowance target is exceeded

a. See figure B-1 for procedures of fund violations.

b. Rctg Bde, ASG, or Rctg Bn headquarters staff elements.

(1) If a Rctg Bn, ASG staff element, or a Rctg Bde headquarters staff element's obligations (as reported by STANFINS) exceed the allowance target issued to them, the Rctg Bn commander or Rctg Bde headquarters staff chief will immediately notify (telephonically) the Rctg Bde commander or Rctg Bde commander (ATTN: Comptroller) of the potential overobligation. The Rctg Bde comptroller or ASG comptroller (in the case of the ASG having potential overobligation) will then work with the Rctg Bn commander, Rctg Bde headquarters chief of staff, or ASG staff element to determine if, in fact, an overobligation exists. If the overobligation is determined to not be a valid overobligation (i.e., it is determined the reported obligated amount is in error due to accounting, clerical, recording, or reporting error), then substantiate this fact with a memorandum for record (MFR). Take action in conjunction with the supporting DAO to correct the STANFINS record. No additional action is required except to look at the action from a training or lessons learned perspective.

(2) If review by the Rctg Bn commander or Rctg Bde headquarters chief of staff, and Rctg Bde, or ASG executive officer, and Rctg Bde or ASG comptroller reveals that an overobligation has in fact occurred, then action must be taken as follows:

(a) Determine if the Rctg Bde or ASG has sufficient allowance target to cover the overobligation. If sufficient allowance target exists, no overobligation report is required to be submitted to HQ USAREC. However, the Rctg Bde or ASG commander should take action as appropriate

(e.g., direct the conduct of a commander's inquiry) to determine the cause of the overobligation, what should be done to preclude recurrence, and whether disciplinary action should be taken against the person(s) responsible for overobligation.

(b) If the Rctg Bde or ASG commander does not have sufficient allowance target to cover the overobligation, the commander will immediately notify (telephonically) HQ USAREC (RCRM-SFA), and then followup within 10 days with a written "Flash Report" as described in DFAS-IN Reg 37-1. HQ USAREC will act in accordance with DFAS-IN Reg 37-1.

c. HQ USAREC directorates and special staff sections.

(1) If the HQ USAREC director or special staff section chief has obligations (as reported by STANFINS) that exceed the allowance target issued to them, they will immediately notify (telephonically) HQ USAREC (RCRM-SFA) of the overobligation. The Director of Resource Management will then work with the HQ USAREC Budget Office to determine if, in fact, an overobligation exists. If the overobligation is determined to not be a valid overobligation (i.e., it is determined the reported obligated amount is in error due to accounting, clerical, recording, or reporting errors), then substantiate this fact with an MFR. Take action in conjunction with the supporting DAO to correct the STANFINS record. No additional action is required except to look at the action from a training and lessons learned perspective.

(2) If the review by the Director of Resource Management and HQ USAREC budget officer reveals that an overobligation has in fact occurred, then action will be taken as directed in DFAS-IN Reg 37-1.

PROCEDURES TO FOLLOW WHEN OBLIGATIONS EXCEED ALLOWANCE-TARGET

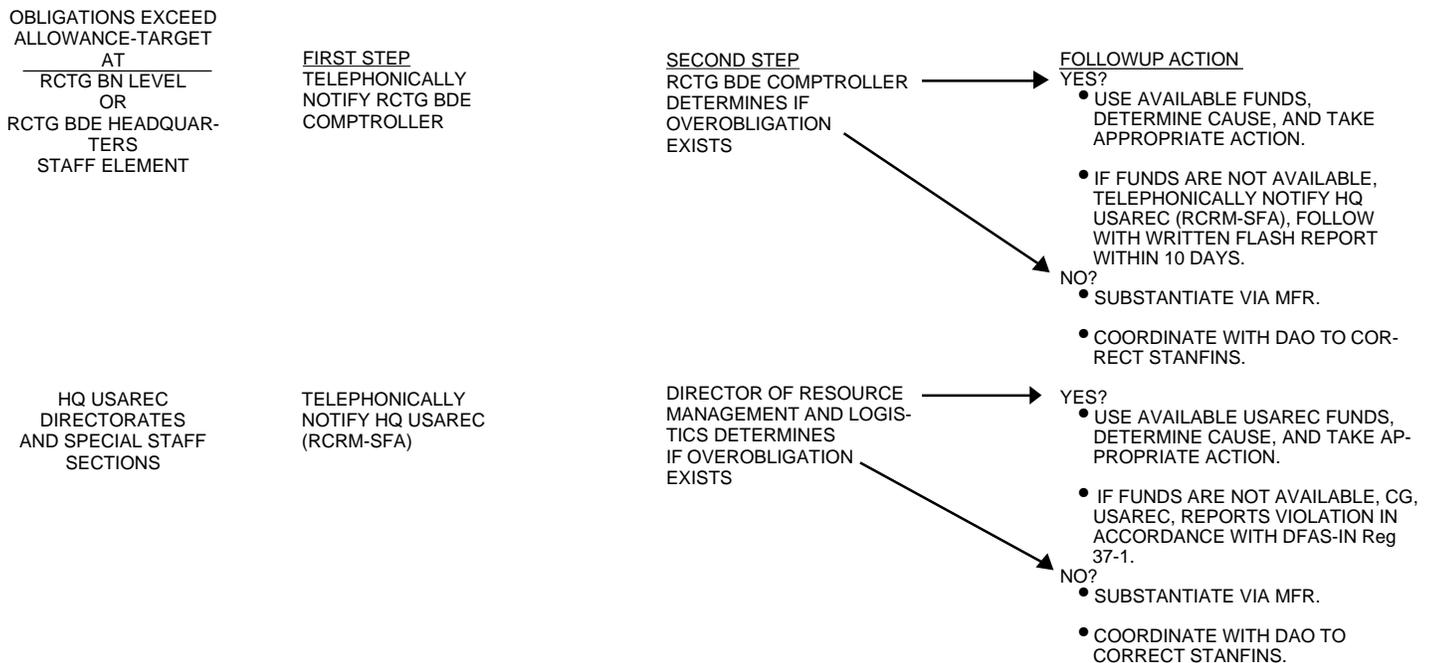


Figure B-1. Procedures for fund violations

Appendix C

Certification of Financial Statements

C-1. Purpose

Section 1311 of Public Law 663, 83rd Congress and DOD implementing instructions require the certification, as of 30 September status report, financial statements and ULO (unpaid) of each appropriation of fund account. This chapter supplements DFAS-IN Reg 37-1 which contains the instructions which apply to Rctg Bde and activities in meeting this requirement as of 30 September.

C-2. Procedures

Those recipients of resources will apply these procedures.

a. Rctg Bde commanders.

(1) Certify the 30 September balances (ULO, unobligated balances, orders received and reimbursements earned and collected). The commander may delegate the authority to certify to his or her deputy commander or comptroller.

(2) In the event an adjustment is required after submission of certified reports, recertification of the adjusted report is required by an official no lower than the certifying officer on the original certification.

(3) Where the source documentation for obligations is not under the physical control of the certifying officer, he or she may require internal certification as to the validity of these supporting documentation.

b. Rctg Bde comptroller and HQ USAREC budget officer.

(1) Publishes appropriate yearend instructions to ensure that:

(a) Proper emphasis is placed on the purification of records and joint reconciliations with servicing activities.

(b) Efficient and effective utilization of funds is attained.

(c) Funds are utilized for the purpose for which they are appropriated.

(d) Special fund control procedures which may be implemented are adequate to preclude a violation of 31 USC 1517.

(2) Ensures that sufficient financial data reports on obligations, expenses, undelivered orders, and reimbursements are provided to serviced activities for management of funds and purification.

(3) Insists that certified reports are submitted on prescribed due dates.

c. Rctg Bn commanders.

(1) Ensure that their activities accomplish joint reconciliations and purification of records.

(2) Carry out yearend instructions which are published by the Rctg Bde comptroller.

(3) Determine that all valid obligations as of 30 September, including obligation adjustments, have been properly documented and recorded.

Appendix D

Significant Deobligations

D-1. Purpose

This appendix prescribes detailed procedures for evaluating and reporting significant deobligations in prior year (PY) appropriations.

D-2. Applicability

These procedures apply to all resource managers authorized to certify funds and control ceilings.

D-3. Concept

a. A significant deobligation of PY funds points to a need for improved financial management of USAREC resources. Further, these deobligations destroy the resource manager's credibility with higher headquarters, making it extremely difficult to compete for necessary resources.

b. Status reports of PY appropriations, all downward adjustments defined as significant, will be explained to HQ USAREC (RCRM-SFA), Fort Knox, KY 40121-2726, in a submission following the monthly status reports (i.e., CSCFA-218).

c. For reporting purposes, significant amounts will be defined on an individual document basis:

(1) \$10,000 or more--significant and must be explained.

(2) \$5,001 to \$9,999--significant, but need only be explained when actual amount of deobligation exceeds 25 percent of the original amount obligated.

(3) Less than \$5,000--need not be explained.

d. The format for reporting these explanations should include the following information:

(1) Appropriation (e.g., 21*2020), Program Element (e.g., 871711.00).

(2) Type of document (contract, purchase order, miscellaneous obligation document, etc.).

(3) Date and amount of original obligation.

(4) Basis for obligation amount (estimate, quote, contractual agreement, etc.).

(5) Reason for deobligation (cancellation, default, inaccurate estimate, etc.).

(6) What action can be taken to preclude recurrence.

Glossary

USAREC

United States Army Recruiting Command

AMS

Army management structure

ASG

Area Support Group

CG

Commanding General

COB

command operating budget

CRA

continuing resolution authority

DA

Department of the Army

DAO

defense accounting office

dCAS

Database Commitment Accounting System

DOD

Department of Defense

EOR

element of resource

FY

fiscal year

HQDA

Headquarters, Department of the Army

HQ USAREC

Headquarters, United States Army Recruiting Command

MFR

memorandum for record

NSFOP

nonstock funds orders and payables

PY

prior year

QA

quality assurance

Rctg Bde

recruiting brigade

Rctg Bn

recruiting battalion

STANFINS

Standard Finance System

ULO

unliquidated obligations