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Responsible Office: BR / Resources Management Division

Subject: Administrative Control of Appropriations and Funds

Also see

[Response to Freedom to Manage Action on the Segregation of Funds Within Appropriations, N F2M 9050-17.](#)

1. POLICY

This directive establishes procedures to meet external requirements to provide the administrative control and compliance with applicable directions, policies, statutes, and regulations over appropriations and funds, including reimbursements. It also identifies the responsibility for determining and reporting of Antideficiency Act violations.

2. APPLICABILITY

This directive is applicable to NASA Headquarters and NASA Centers, including Component Facilities.

3. AUTHORITY

- a. The National Aeronautics and Space Act of 1958, as amended, 42 U.S.C. 2451 et seq.
- b. The Antideficiency Act, 31 U.S.C. 1341(a), 1342 (in part), 1349-1351, 1511(a), 1512, 1513(b), (c), and (d), and 1514-1519.
- c. Section 1311 of the Supplemental Appropriations Act of 1955, as amended, 31 U.S.C. 1108, 1501, and 1502(a).
- d. Impoundment Control Act of 1974, Pub.L. 93-344, as amended, 2 U.S.C. 681-684, and 31 U.S.C. 1512-1514.
- e. Balanced Budget and Emergency Deficit Control Act of 1985, Pub.L. 99-177, as amended.
- f. Chief Financial Officers Act of 1990, Pub.L. 101-576, as amended.
- g. Office of Management and Budget (OMB) Circular A-34, "Instructions on Budget Execution," and related OMB guidelines.

4. REFERENCE

a. NPD 7000.3D, Allocation and Control of Agency Resources, dated May 1, 1997.

b. Financial Management Manual (FMM) 9000-9700.

5. RESPONSIBILITY

a. The Chief Financial Officer (CFO) is responsible for developing and maintaining an integrated budgeting, accounting, and financial management system, including financial reporting and financial management internal controls for the Agency. The CFO is also responsible for reporting proposed deferrals and rescissions to the OMB.

b. The NASA Comptroller is responsible for submitting apportionment and reapportionment requests to OMB.

c. The Chief, Accounting, Reporting, and Analysis Branch, Financial Management Division, Office of the Chief Financial Officer, is responsible for certifying allotments to Centers, and establishing and maintaining such accounts and records necessary to administer apportionments, reapportionments, and fund accounts as part of the Agency's accounting system. This official is also responsible for reporting allotment data to the Department of the Treasury and the Committee on Appropriations, House of Representatives, in accordance with OMB Circular A-34.

d. The Deputy Director for Budget Controls, Resources Analysis Division, Office of the Chief Financial Officer, is responsible for preparing apportionment and reapportionment requests for the Comptroller. This official is also responsible for preparing allotment authorizations to NASA Centers and to the Director for Headquarters Operations and for forwarding them to the Financial Management Division for certification.

e. Each Center Director (for Headquarters, the Director for Headquarters Operations) is responsible for establishing and maintaining a financial system for their respective Center to ensure financial control of and to prevent Antideficiency Act violations with respect to the total amount allocated to the Center.

f. The Director, Financial Management Division, Office of the Chief Financial Officer, is responsible for identifying Antideficiency Act violations to the CFO for reporting to the NASA Administrator. This official is also responsible for recommending actions to be taken to correct the violations and implementing corrective actions approved by the Administrator.

g. The Administrator is responsible for reporting violations of 31 U.S.C. 1341(a), 1342, and 1517(a)(1) and 1517(a)(2) to the President and the Congress as required by 31 U.S.C. 1351 and 1517(b).

6. DELEGATION OF AUTHORITY

None.

7. MEASUREMENTS

Not applicable.

8. CANCELLATION

NPD 9050.3D dated January 22, 1997.

/s/ Sean O'Keefe
Administrator

ATTACHMENT A: (TEXT)

The actions and control elements are as follows:

a. Background:

The Antideficiency Act, 31 U.S.C. 1512, 1513, 1514, 1515, and 1516, provides for financial apportionments and reappropriations of funds, including reimbursements, to be made by the President. They require the head of each executive agency to prescribe, by regulation, a system of administrative controls designed to restrict obligations or expenditures under each appropriation or fund to the amount of the apportionment or reappropriation. Title 31 U.S.C. 1351 and 1517(b) provides that reports of violations thereof be made to the President and to the Congress.

Title X of the Congressional Budget and Impoundment Control Act of 1974, 2 U.S.C. 681-688, provides the Congress a mechanism for control over the use of budget authority enacted for programs and projects of Federal agencies. A special message from the President is required when the obligation of budget authority is to be deferred by the executive branch or when budget authority is to be rescinded.

The basic limitations and restrictive measures required by law in the administration of appropriations, apportionments, reappropriations, and allotments are stated in paragraphs b. through d. of this attachment. Detailed guidance and instructions outlined in Financial Management Manual (FMM) 9000-9700 provide further implementation of these legal and administrative requirements concerning the management and control of all resources available to NASA and the reporting requirements pertaining to the status of such resources.

b. Apportionments, Reappropriations, Allotments, Obligations, and Expenditures:

(1) Apportionments/Reappropriations: An apportionment is a distribution made by OMB of amounts available for obligation in an appropriation or fund account, into amounts available for specified time periods, programs, activities, projects, objects, or combinations thereof. The apportioned amount limits the obligations that may be incurred. A reappropriation is a revision approved by OMB of a previous apportionment for an appropriation or fund account.

If the amount apportioned for use through the current apportionment period from any apportionment or fund includes unrealized reimbursements or other items of anticipated receipts, the same shall not be allotted for obligation or expenditures unless there is reasonable assurance that the amount of such items will be collected and deposited to the credit of the appropriation involved. Responsibility for making this determination shall rest with the Deputy Director for Budget Controls, Resources Analysis Division, or designee.

(2) Allotments: Allotments are issued for the purposes of incurring commitments, obligations, and expenditures against the specified appropriation for which the allotment is made. Allotments shall not be made in excess of the amounts and limitations of apportionments or reappropriations. The allotment relates to the programs, projects, and activities as identified on approved resources authority warrants. No obligation shall be authorized or created nor expenditures made unless an allotment has been established in accordance with this directive.

Each Center shall be financed from not more than one allotment for each appropriation or fund account affecting such Center. The allotments are issued to Center Directors and to the Director for Headquarters

Operations for NASA Headquarters for effective and efficient control of apportionments that are approved by the OMB. In making allotments, limitations and restrictions contained in appropriation acts and other statutes shall be fully observed and maintained.

(3) Obligations: An obligation includes amounts of orders placed, contracts awarded, services received, and similar transactions that will require payments during the same or a future period. The legal requirement for recording obligations is 31 U.S.C. 1501(a). Certifications and records shall be kept in the Agency in a form that facilitates audits and reconciliations (31 U.S.C. 1108(c)). Obligations are the sum of undelivered orders, liabilities, and disbursements.

(4) Expenditures: The amount of checks issued, cash, or electronic fund transfers. Expenditures during a fiscal year may be for payment of obligations incurred in the same year or in prior years. Expenditures are recorded when obligations are paid.

c. Deferrals and Rescissions:

Pursuant to Title X of the Congressional Budget and Impoundment Control Act of 1974, 2 U.S.C. 683 and 684, the President must submit a special message to the Congress whenever budget authority provided for a specific purpose or project is deferred or recommended for rescission. Deferrals or rescissions proposed by OMB will usually be reflected in the approved apportionment by withholding funds that otherwise would be available to NASA. Deferrals resulting from decisions by NASA Senior Management to obligate apportioned funds provided for a specific purpose or project at a significantly slower pace than intended by the Congress are reportable by NASA; whenever it is determined that an amount will not be required to carry out the purpose of the appropriation, it will be recommended for rescission. Such reports shall be submitted to OMB by the NASA CFO. Pending congressional action, or inaction, on a proposed deferral or rescission of apportioned funds, the applicable amounts will be withheld by the NASA CFO and reapportionment requests submitted to OMB as may be appropriate.

Deferrals not reportable to the Congress are those that result from normal management actions that affect only the timing of obligations and not the intent of Congress in providing funds for accomplishment of program objectives.

d. Administrative Control for Purposes Other Than Apportionments:

The classifications or limitations below the allotment control level may be established, as required, to implement decisions by NASA Senior Management which are other than for the control of apportionments. However, limitations will be established on the allotment which are pursuant to specific limitations and restrictions in authorization and/or appropriation acts and are subject to the provisions of the Antideficiency Act. When dollar amounts are used in such classifications or limitations, the recipient shall be advised of the extent that discretion may be exercised with respect thereto as long as aggregate obligations or expenditures do not exceed the amount of the allotment established for control of apportionments.

An obligation or expenditure in excess of classifications or limitations established below the allotment level, while cause of administrative discipline if the circumstances warrant, does not by itself constitute a violation of 31 U.S.C. 1341. However, when a classification or limitation, imposed by law, is so specified on the allotment, an obligation or expenditure in excess thereof shall be construed as constituting a violation of this statute. An obligation or expenditure in excess of the amounts contained on the allotment established for control of apportionments constitutes a violation of 31 U.S.C. 1341.

e. Violations and Reports--Administrative Discipline:

(1) 31 U.S.C. 1341(a) provides that an officer or employee shall not authorize an obligation or expenditure under any appropriation in excess of the amount available therein and involve the Government in a contract or other obligation for payment for any purpose in advance of appropriations

made for such purpose, unless such obligation or contract is authorized by law.

(2) 31 U.S.C. 1342 (in part) prohibits a Federal officer or employee from accepting voluntary service for the United States or employing personal services in excess of that authorized by law, except in case of emergency involving the safety of human life or the protection of property.

(3) 31 U.S.C. 1517(a) provides that an officer or employee of the U.S. Government may not make or authorize an expenditure or obligation in excess of the apportionment or reappropriation or authorize or create an obligation or expenditure in excess of the amount permitted by the approved administrative control system prescribed in this directive.

(4) A report of any violation of the provisions of 31 U.S.C. 1341(a) and 1342 shall be made in accordance with 31 U.S.C. 1351, and a report of any violation of 31 U.S.C. 1517(a) shall be made in accordance with 31 U.S.C. 1517(b). A report of any violation of this directive shall be made in accordance with 31 U.S.C. 1351 or 31 U.S.C. 1517(b) as applicable, by any officer or employee of NASA, as soon as the violation becomes known. The violation report should include the following:

(a) All pertinent facts of the violation, including (i) title and symbol of the appropriation or fund account; (ii) amount involved; (iii) date on which the violation occurred; (iv) type of violation; (v) the primary reason or cause; and (vi) any statement by the responsible officer or employee with respect to any circumstances believed to be extenuating;

(b) Name and position of the officer or employee responsible for the violation;

(c) A statement of administrative discipline proposed and any other actions to be taken with respect to the officer or employee, or any explanation as to why no disciplinary action is considered necessary;

(d) A recommendation for any safeguards considered necessary to prevent a recurrence of the same type of violation; and

(e) If determined that changes are required to strengthen system safeguards, such proposed changes will be submitted to OMB for approval.

(5) 31 U.S.C. 1349(a) and 1350 and 31 U.S.C. 1518 and 1519 provide that in addition to any penalty or liability under other law, an officer or employee responsible for the types of violations listed in subparagraphs (1) through (3) above shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office. When such violations have been knowingly and willfully committed, the officer or employee responsible shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than 2 years or both.

(6) The Administrator will fix responsibility for each violation and will forward a report thereof to the President and the Congress as required by law.

(7) A report of any violation of administrative limitations placed on funds available for obligation and expenditure shall be made by any officer or employee of NASA having knowledge thereof to the CFO through the Director, Financial Management Division, NASA Headquarters. The reporting of the violation shall contain the information required in subparagraphs 4(a) and (b) above. The CFO will fix responsibility for the violation and recommend appropriate action to the Administrator.

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