

**FISH AND WILDLIFE SERVICE
FINANCE**

Finance

Part 260 Financial Management

Chapter 1 Administrative Control of Funds

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OVERVIEW

1.1 What is the purpose of this chapter? This chapter:

A. Establishes policy for the U.S. Fish and Wildlife Service's (Service) administrative control of funds, and

B. Includes instructions to ensure the Service:

(1) Obligates and expends funds in accordance with the intent of Congress;

(2) Restricts obligations and expenditures against each appropriation to the lower of the amount of the latest apportionment the Office of Management and Budget (OMB) makes, or the amount available in the appropriation;

(3) Identifies which individuals are responsible for obligations and expenditures that fail to comply with restrictions and limitations set forth in the Antideficiency Act, other laws, and other administrative subdivisions of funds by the Service; and

(4) Provides procedures for dealing with violations of the Antideficiency Act, as well as violations of other administrative subdivisions of funds.

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1.2 What is the scope of this chapter? This chapter applies to all organizations and appropriations within the Service, unless specifically exempted with the approval of OMB.

1.3 What are the objectives of this chapter? Our objectives are to:

A. Provide general information, terminology, and requirements for the Service's administrative control of funds;

B. Define the responsibilities of those involved in the budget execution process and ensure that programs and Regions use all Service funding within the applicable period of availability and for the purposes intended by Congress, and that obligations and expenditures do not exceed the amounts authorized;

C. Provide guidance on the Service's financial management systems and reporting mechanisms necessary to comply with the requirements established by the Department of the Interior (Department), OMB, and the U.S. Department of the Treasury (Treasury).

D. Outline program requirements to establish and maintain effective controls over appropriations and other funds in accordance with this policy.

E. Describe the difference between statutory and non-statutory violations of the Anti-Deficiency Act.

1.4 What are the authorities for this chapter?

A. Congressional Budget and Impoundment Control Act of 1974 ([Public Law 93-344](#)).

B. Department of the Interior [Accounting Handbook](#).

C. Federal Financial Management Improvement Act of 1996 ([Public Law 104-208](#)).

D. Federal Managers' Financial Integrity Act of 1982 ([Public Law 97-255](#)).

E. Money and Finance, [Title 31, United States Code](#), including:

(1) Antideficiency Act (ADA), as amended (31 U.S.C. [1341-42](#), [1349-51](#), [1511-1519](#)).

(2) Budget and Accounting Act of 1921, as amended (31 U.S.C. [1101](#), [1104-1108](#), [3324](#)).

(3) Budget and Accounting Procedures Act of 1950 (31 U.S.C. [1112](#), [1531](#), [3511-3512](#), [3524](#)).

(4) Miscellaneous Receipts Statute (31 U.S.C. [3302\(b\)](#)).

(5) Postal Savings System Statute of Limitations Act (also referred to as the "Purpose Act," [31 U.S.C. 1301](#)).

(6) Supplemental Appropriations Act of 1950 (31 U.S.C. [1501-1502](#)) (including 1502(a), also

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referred to as the “Bona Fide Need rule”).

F. [OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget](#), Part 4 - Instructions on Budget Execution.

G. [328 Departmental Manual \(DM\) 1-3](#), Administrative Control of Funds.

1.5 What terms do you need to know to understand this chapter?

A. Account. An identification code, sometimes called a Treasury Account Symbol (TAS), that the Treasury assigns to individual appropriation, receipt, or other fund accounts. All financial transactions of the Federal Government are classified by TAS for reporting to the Treasury and OMB.

B. Activity. An element within a budget account. For annually appropriated accounts, OMB and agencies identify activities by reference to committee reports and budget justifications. For permanent appropriations, OMB and agencies identify activities by the program and financing schedules that the President provides in the “Detailed Budget Estimates” in the budget submission for the relevant fiscal year.

C. Allocation. The further distribution of a suballotment from the program level to the Regional level. Allocation authority may not exceed apportionments or allotments.

D. Allotment. A subdivision of the apportionment authorized by either the agency head or a designated employee, to incur obligations within a specified amount. Each agency makes allotments using specific procedures it establishes within the general requirements stated in OMB Circular A-11. Incurring obligations in excess of the amount specified in an allotment is a violation of the Antideficiency Act.

E. Antideficiency Act. The law prohibiting Government officials from authorizing expenditures or the obligation of funds exceeding the amount available in an appropriation. The law restricts the use of Federal funds to the amount, time, and purpose set forth in an appropriations bill as follows:

(1) *Amount.* The sections of the Act prohibiting the expenditure or obligation of funds exceeding the amount available in appropriations are at 31 U.S.C. [1341-42](#), [1349-51](#), and [1511-1519](#).

(2) *Time.* The sections of the Act addressing the obligation of funds during a definite period are at 31 U.S.C. [1501-1502](#). The law requires that an appropriation be limited for obligation to a definite period and be available only for payment of expenses properly incurred during the period of availability, or to complete contracts properly made within that period of availability. Appropriations must be obligated during the period of availability.

(3) *Purpose.* The law also requires (at [31 U.S.C. 1301](#)) that appropriations be applied only to the objects for which the appropriations were made, except as otherwise provided by law.

F. Apportionment. The action by which OMB distributes amounts available for obligation,

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including budgetary reserves established under law, in an appropriation account. An apportionment divides amounts available for obligation by specific time periods (usually quarters), activities, projects, objects, or a combination thereof. The apportionment limits the amount of obligations that the Service may incur.

G. Appropriation. An authorization by an act of Congress that provides legal authority and period of availability for Federal agencies to incur obligations and to make payments out of the Treasury for specific purposes.

H. Augmentation of Appropriation. An unauthorized increase in the amount of authority given to Federal agencies to incur obligations and to make payments from Treasury funds (see 31 U.S.C. [3302\(b\)](#)).

I. Bona Fide Need. 31 U.S.C. [1502\(a\)](#) requires that agencies only use appropriated funds for goods and services for which a bona fide need arises during the period of that appropriation's availability for obligation.

J. Reapportionment. A revision, approved by OMB, of a previous apportionment for an appropriation. The approved revision ordinarily covers the same period, activities, projects, or objects that the original apportionment covers.

K. Reprogramming. Any significant departure from the program described in the Service's budget justifications, including proposed reorganizations, even without a change in funding. It includes the reallocation of funds from one budget activity to another. Where either a House or Senate Appropriations Committee report displays an allocation of an appropriation below the activity level, that more detailed level must be the basis for reprogramming. For construction and land acquisition accounts, a reprogramming constitutes the reallocation of funds from one project identified in the justifications or Committee reports to another. Reference [253 FW 3, Budgetary Latitude and Reprogramming](#) for Service policy and guidance.

L. Subactivity. In the Service, a subactivity refers to a further division of an account and activity.

M. Suballocation. The further distribution of an allocation by the Regional office to the field level. Suballocation authority may not exceed apportionments or allotments.

N. Suballotment. The further distribution of an allotment to the functional area/subactivity level. Suballotment authority may not exceed apportionments or allotments.

O. Work Breakdown Structure (WBS). The hierarchical organization of a project. The WBS describes either a concrete task or a partial one that can be further subdivided.

ADMINISTRATIVE CONTROL OF FUNDS

1.6 What is an administrative control of funds? An agency has an administrative control of funds when it establishes policies and procedures that employees must follow in budget execution that specify basic fund control principles and concepts.

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A. The controls:

- (1) Help the Service prevent any obligation or disbursement of an appropriation beyond its period of availability or in excess of the amount provided in the apportionment,
- (2) Ensure that the Service uses an appropriation only as intended by Congress, and
- (3) Monitor overall budget authority to ensure the Service does not augment its appropriation.

B. Apportionments and allotments are subject to the provisions of the Antideficiency Act; therefore, obligations and disbursements of funds that exceed the authority provided by either are violations of the Act.

C. If an employee obligates or disburses funds that exceed allocations and other formal administrative subdivision of funds that the Service designates, that employee may have violated the Act and may be subject to disciplinary action or civil or criminal penalties. These controls define the official(s)/employee(s) responsible for any violation, should one occur, and outline procedures for handling and reporting violations.

D. If an employee accepts budgetary resources not authorized by law and in excess of authorized amounts (including unauthorized voluntary services), an augmentation of appropriations may have occurred, and that employee may be subject to disciplinary action or civil or criminal penalties. Fund controls define the official(s)/employee(s) responsible for any violation due to augmentation of appropriation and describe procedures for handling and reporting violations.

1.7 What tools does the Service use to facilitate an administrative control of funds? To effectively monitor and maintain funds control of its appropriations, the Service uses two automated systems—the Financial and Business Management System (FBMS) and the Budget Allocation System (BAS)—as well as ad hoc reports from those systems.

A. FBMS: FBMS is the Service’s automated accounting system. The Joint Administrative Operations (JAO) Financial Operations Division staff enter apportionments and allotments into FBMS, which establishes funding limits at the TAS/Fund level.

B. BAS: BAS is an online database the Service uses to input allocations. It does not contain obligation or expenditure information. The Division of Budget and Performance (DoBP) staff enter approved allotted and suballotted funding into BAS at the TAS/Fund/Subactivity level to ensure program allocations do not exceed allotments or suballotments. After the Director approves final program allocations, program officials distribute those allocations to the Regional level in BAS. DoBP staff approve allocations and transfer them from BAS to FBMS, thereby establishing funding limits at these levels in FBMS.

C. Ad hoc Reports: FBMS does not prevent obligations or expenditures that exceed authorizations below the TAS/Fund/Activity level. It also does not prevent labor obligations or expenditures that exceed authorizations at any level. Therefore, program and Regional staff

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must use ad hoc reports to monitor available balances and correct any obligations or expenditures that exceed amounts authorized.

RESPONSIBILITIES

1.8 Who is responsible for the Service’s administrative control of funds? See Table 1-1 for overall responsibilities and [section 1.9](#) for information about how employees report violations.

Table 1-1: Responsibilities Related to Administrative Control of Funds

This employee...	Is responsible for...
A. Director	<ul style="list-style-type: none"> (1) Approving Servicewide policy; (2) Ensuring the Service has proper funds controls and reporting violations to OMB as necessary (see Table 1-2); (3) Assigning legal responsibility for the Service's appropriations to the Assistant Director – Management and Administration, who serves as the Service's Chief Financial Officer and Allottee; and (4) Delegating authorization of the allotments to the Allottee.
B. Assistant Director – Management and Administration (AD-MA; also known as Chief Financial Officer and Allottee)	<ul style="list-style-type: none"> (1) Verifying that allotments do not exceed the apportionment, appropriation, or other limitations; (2) Ensuring, as the Allottee, that administrative subdivisions of allotments do not exceed the amounts appropriated, apportioned, and allotted, and that obligations or expenditures do not exceed allotted funds; (3) Working with the DoBP Budget Officer, the Financial Operations Division Chief, and Directorate members to ensure that funds are used properly and not in excess of apportionments, appropriations, allotments, and allocations; (4) Ensuring that Directorate members are charged with individual responsibility for any obligation or expenditure in excess of allotments or allocations; and (5) Reporting appropriation-level time, purpose, or amount and violations of the bona fide needs rule to the Director (see Table 1-2).
C. Division of Budget and Performance Chief (DoBP Budget Officer)	<ul style="list-style-type: none"> (1) Ensuring that allotments do not exceed the apportionments, appropriation, or other limitations; (2) Monitoring proper execution of the Service's budget;

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	<p>(3) Preparing and submitting requests for apportionments and reapportionments to the Department’s Office of Budget for approval and transmittal to OMB;</p> <p>(4) Certifying that allocation authority does not exceed the allotment;</p> <p>(5) Preparing allotment advices for the amounts designated by apportionments, appropriations, rescissions, reprogrammings, transfers, and other authorized budget authority;</p> <p>(6) Preparing and distributing program allocations of funds in BAS and FBMS;</p> <p>(7) Ensuring that amounts allotted and allocated do not exceed apportionments;</p> <p>(8) Ensuring that no funds are allotted without proper warrants and apportionments;</p> <p>(9) Obtaining proper warrants or non-expenditure transfers from the Treasury for appropriations and rescissions;</p> <p>(10) Monitoring funds control reports to ensure obligations and expenditures do not exceed allocations, allotments, or other limitations; and</p> <p>(11) Reporting appropriation-level time, purpose, or amount and violations of the bona fide needs rule to the AD-MA (see Tables 1-2 & 1-3).</p>
<p>D. Directorate members at Headquarters</p>	<p>(1) Establishing accountability and supplemental controls, as necessary, within their programs and subactivities to meet their fund control responsibilities;</p> <p>(2) Ensuring that, at the program and subactivity level, obligations and expenditures meet the time, amount, and purpose of approved allocations;</p> <p>(3) Ensuring that, at the program and headquarters level, obligations and expenditures are made in accordance with the bona fide needs rule; and</p> <p>(4) Reporting appropriation-level time, purpose, or amount and violations of the bona fide needs rule to the AD-MA and the DoBP Budget Officer (see Tables 1-2 and 1-3).</p>

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E. Regional Directors	<p>(1) Establishing accountability and supplemental controls, as necessary, within their Regions, programs, subactivities, and organizations to meet their fund control responsibilities;</p> <p>(2) Ensuring that, at the appropriate Regional/organization level, obligations and expenditures meet the time, amount, and purpose of approved allocations;</p> <p>(3) Ensuring that obligations and expenditures incurred comply with the bona fide needs rule; and</p> <p>(4) Reporting appropriation-level time, purpose, or amount and violations of the bona fide needs rule to the AD-MA and the DoBP Budget Officer (see Tables 1-2 and 1-3).</p>
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VIOLATIONS AND PENALTIES

1.9 What is the simple reporting hierarchy for violations? See Tables 1-2 and 1-3.

Table 1-2: Reporting Matrix for Statutory Violations

This employee...	Must reports violations to...
Director	OMB
AD-MA	Director
DoBP Budget Officer	AD-MA
Assistant Directors	AD-MA and the DoBP Budget Officer
Regional Directors	AD-MA and the DoBP Budget Officer

Table 1-3: Reporting Matrix for Non-Statutory Violations

This employee...	Must reports violations to...
AD-MA	Director
DoBP Budget Officer	AD-MA
Assistant Directors	AD-MA and the DoBP Budget Officer
Regional Directors	AD-MA and the DoBP Budget Officer

1.10 What constitutes a statutory Antideficiency Act violation, and what are the details about how it is reported?

A. The Act prohibits any Federal employee from:

- (1)** Making purchases for a purpose other than what is specifically authorized by the Congress;
- (2)** Purchasing services and merchandise before appropriations are enacted or after appropriations have expired; or

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(3) Entering into contracts that exceed the amount of the enacted appropriations for the year. This includes obligating or expending more than the amount in the appropriation, fund, the amount apportioned, or any other legal subdivision of funds. Legal subdivisions of funds are determined by appropriation acts and may change with changes in appropriation act language from year to year. Service employees should consult with the DoBP if they are uncertain of whether an obligation is legal.

B. Acceptance of voluntary services or employed personal services in excess of that authorized by law constitutes an illegal augmentation of appropriations and is a violation of [31 U.S.C. 1342](#), except in cases of emergency involving the safety of human life or the protection of property.

C. Wherever an amount is specifically appropriated to the activity, subactivity, or project level, a statutory violation occurs if that level is exceeded, even if the appropriation is not exceeded (this includes, but is not limited to, all construction and land acquisition projects).

D. Recording errors are not violations themselves. The Allottee is responsible for the correct balance, regardless of accounting errors. Whether or not an Antideficiency Act condition has occurred is based on information after staff correct balances. An error neither creates nor alleviates a violation.

E. An employee may not augment an appropriation by effectively increasing the amount of funds available in the appropriation, other than in ways authorized by law. Generally, such augmentation results in obligations and expenditures by the agency in excess of the amount originally appropriated by Congress.

F. The Service is provided limited reprogramming authority by our Appropriations Committee. Exceeding the reprogramming guidelines may be a statutory violation when specific language is included in annual appropriations bills regarding reprogramming limits. Direct questions about how reprogramming impacts funds control to the DoBP Budget Officer.

G. The DoBP Budget Officer is responsible for reporting to the Director any violation of the Act as prescribed in [328 DM 1](#), Appendix 1 (#15), and Section 40 of [OMB Circular A-11](#). The Director and the Chief Financial Officer (i.e., AD-MA) review the report, and the Director submits it to OMB (see [Table 1-2](#)).

1.11 What are the ramifications of a statutory violation by a responsible official?

A. An employee who knowingly and willfully violates the statute may be subject to criminal penalties, and, if convicted, may be fined as much as \$5,000 or imprisoned for as long as 2 years, or both.

B. Upon verification that a statutory violation has occurred, the Director may take appropriate disciplinary action, including the following:

(1) Letter of reprimand,

(2) Suspension from duty without pay, or

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(3) Removal from office.

C. All Directorate members have administrative fund control as a performance standard in their performance plans. Evaluators may use non-statutory violations as an indicator during the performance appraisal process.

1.12 What constitutes a non-statutory violation, and what are the details about how it is reported?

A. A non-statutory violation occurs when an official incurs an obligation or expenditure above the allocated amount the Director has approved or the level provided on the committee support table.

Wherever an amount is specifically appropriated to the activity, subactivity, or project level, a statutory violation occurs at that level even if the appropriation is not exceeded (this includes, but is not limited to, all construction and land acquisition projects).

B. Limitations on responsible officials below the statutory level are not subject to the statutory provisions of the Antideficiency Act. However, if a lower level limitation is exceeded and causes the overobligation or overexpenditure of an appropriation, fund, or legal subdivision of funds, then a statutory violation of the Antideficiency Act has occurred ([see Table 1-2 above](#)). For example, several Regions overobligating a subactivity could cause overobligation of the appropriation, resulting in an Antideficiency Act violation.

C. The Service is provided limited reprogramming authority by our Appropriations Committee. Exceeding the reprogramming authority is normally a non-statutory violation; however, annual appropriations bills contain different instructions and guidance. See [253 FW 3, Budgetary Latitude and Reprogramming](#) for Service policy and guidance and ask the DoBP Budget Officer if you have more questions.

D. Service officials must report all non-statutory violations appearing on the final closing balances to the appropriate individuals ([see Table 1-3](#)). Prior to the close of the fiscal year, DoBP staff must correct non-statutory violations. The AD-MA must report non-statutory violations to the Director with recommendations for appropriate corrective action. If violations cannot be corrected, the Director must report them to OMB.

1.13 What are the ramifications of a non-statutory violation by a responsible official?

A. Upon verification that a non-statutory violation has occurred, the Director may take appropriate disciplinary action, including the following:

(1) Letter of reprimand,

(2) Suspension from duty without pay, or

(3) Removal from office.

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B. All Directorate members have administrative fund control as a performance standard in their performance plans. Evaluators may use non-statutory violations as an indicator during the performance appraisal process.

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