

**ADMINISTRATIVE FISCAL PROCEDURES**

1. **REASON FOR ISSUE:** Attached is a total revision of VA Manual MP-4, Part I, Chapter 1, which has been divided into VA Directive 4000 and VA Handbook 4000.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook revises VA Administrative Fiscal Procedures to incorporate various new rules issued by such agencies as the General Accounting Office, Department of the Treasury and the Office of Management and Budget.
3. **RESPONSIBLE OFFICE:** Fiscal Policy Service (047GC), Office of Deputy Assistant Secretary for Financial Management.
4. **RELATED DIRECTIVE:** VA Directive 4000, Administrative Fiscal Policy.
5. **RESCISSION:** MP-4, Part I, Chapter 1.

**CERTIFIED BY:**

**BY DIRECTION OF THE SECRETARY  
OF VETERANS AFFAIRS:**

/s/  
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## ADMINISTRATIVE FISCAL PROCEDURES

**1. PURPOSE.** This handbook prescribes administrative fiscal procedures in accordance with the policy set forth in VA Directive 4000.

**2. RESPONSIBILITIES.** The Fiscal/Finance Officer has the overall responsibility for the daily operation of the facility fiscal activity, and the implementation of the procedures set forth in this handbook.

### 3. FINANCE RECORDS

a. The Fiscal activity at field stations will maintain such records as are required in support of fiscal and accounting functions.

b. In accordance with the requirements of the General Accounting Office (GAO) Manual, Title 8, Chapter 3 all paid vouchers or invoices, except vouchers covering transportation services, will be retained until they have served all VA administrative requirements, as well as all site audit purposes of the GAO. Paid voucher files may be maintained in such location as will best meet the individual station requirements based upon local determination. Criteria as a basis for internal control is set forth in MP-4. Part V, Chapter 2..

### 4. REPORTING OF IRREGULARITIES

a. Whenever any irregularity occurs affecting the accounts of accountable officers or employees of VA, the Director of the station concerned will submit a report to the Deputy Assistant Secretary (DAS) for Financial Management (047) in Central Office for review and further action as required by the GAO Manual, Title 7, Chapter 8.4. Copies of the report will be sent to the Regional Director, the Associate Chief Medical Director (AsCMD) for Operations and the VHA Chief Financial Officer (CFO) or VBA Budget and Finance Staff as appropriate. The station will retain a copy of the report of irregularities with the accountable officer's accounts for use by the General Accounting Office in the audit and settlement of the accounts.

b. Stations shall report:

- (1) Shortages due to physical loss of public funds.
- (2) Illegal expenditures resulting from fraud, forgery, alteration of vouchers, and other improper practices.
- (3) Improper accounting for receipts or collections.
- (4) Improper accounting for cash advances, imprest funds, or Personal Funds of Patients.
- (5) Any other irregularity which involves accountability to the United States.

c. The report should be submitted as soon as possible after discovery of the irregularity. It should contain the following:

- (1) A detailed statement of facts including type of irregularity, date, amount, names of individuals involved, accounts, and contracts.
- (2) Copies of pertinent supporting documents such as employee pay records, patient's accounts, contracts and vouchers.
- (3) Description of how the irregularity occurred and how it affected the accountable officer's account.
- (4) Significant information on procedural deficiencies, if known, and corrective action to be taken.

(5) Information as to the recoupment effected or contemplated from the individual or by relief under the provisions of 31 U.S.C. 3527.

(6) Any other pertinent data.

## 5. SHORTAGES OF FUNDS OR PROPERTY

a. Procedures for shortages in the Agent Cashier funds are covered in VA Handbook 4010.

b. When it has been definitely determined that other shortages of funds or property exist due to the action of an employee at his/her station, other than the Director, the appropriate department in Central Office will be notified promptly. Copies of the report will be sent to the Regional Director, the Associate Chief Medical Director (AsCMD) for Operations and the VHA Chief Financial Officer (CF0) or VBA Budget and Finance Staff as appropriate. The following procedures will be initiated immediately:

(1) Make a complete audit to determine the extent of the shortage.

(2) When the employee is found responsible and the amount of the shortage is determined, demand for payment will be submitted to the employee.

(3) Advise the office of Personnel Management on SF 2805, Request for Recovery of Debt Due the United States, to forestall any withdrawal from the retirement and disability fund. (See 27 Comp. Gen. 703.)

(4) Maintain close follow-up of the case.

(5) Every effort will be made to effect collection from the employee involved, in accordance with the Debt Collection Manual, MP-4, Part VIII.

(6) Report recoveries to the Deputy Assistant Secretary for Financial Management (047) in Central Office, and copies to the Regional Director, the AsCMD for Operations and the VHA CFO or VBA Budget and Finance Staff as appropriate.

(7) Any amounts recovered will be applied first to shortages in the trust funds. Recoveries in excess of trust fund shortages will be restored to the applicable appropriation.

## 6. GENERAL ACCOUNTING OFFICE INFORMATION

a. GAO Form 3010, Informal Inquiry, will be issued by the various auditing activities of the GAO when supporting data, documents, etc., are required to establish the propriety of payments from public funds. The request will be submitted in an original and one copy.

b. When a request for information is received, prompt action will be taken to obtain the necessary information, documents, etc., and complete the reply section of the request. The Fiscal/Finance Officer or designee will review the answer for acceptability and sign the original. The original will be forwarded to the organizational unit of the GAO from which the inquiry was received and the copy will be filed. The prompt processing of requests and the furnishing of complete replies should reduce the number of formal notices of exceptions received by field stations.

## 7. NOTICES OF EXCEPTION

a. Exceptions, suspensions and disallowances, taken by the GAO involving the liability of a certifying officer will be submitted in accordance with the GAO Policy and Procedures Manual, Title 7, Chapter 8, to the applicable VA station on GAO Form 1100, Notice of Exception, together with four copies. The original and two copies will be for use of the certifying officer involved.

b. Replies to exceptions pertaining to all common carrier vouchers subject to central audit by the General Services Administration will be addressed to General Services Administration, Office of Transportation Audits, 18th and F Streets, NW, Washington, DC 20405.

c. Replies to exceptions, suspensions and disallowances pertaining to vouchers subject to site audit by the GAO, will be addressed to the GAO auditing activity from which the document was received. A copy of each GAO Form 1100 or informal inquiry and all replies or correspondence in connection therewith will be securely attached to the original basic voucher. These documents should remain permanently attached when the voucher is refiled for subsequent transmittal to a Federal records center.

d. Repayments in satisfaction of exceptions and informal inquiries will be reported to the audit group of the GAO from which the exception or inquiry was received. When repayments are to be made in installments, the specific arrangement with the debtor for liquidating the entire indebtedness will be reported in reply to the original notice of exception or informal inquiry. When the total amount has been repaid, a follow-up report indicating that the exception has been satisfied should be reported to GAO.

e. When the indebtedness is liquidated promptly by a single repayment, the repayment will be reported in the reply to the original notice of exception or informal inquiry. If the original of these forms has previously been sent to the GAO, the repayment may be reported either on a copy of the form, or by letter.

f. All documentation to support the transactions in question should be retained in accordance with the requirements of the GAO Policy and Procedures Manual, Title 8.

## 8. CERTIFYING OFFICERS

a. In order to establish certifying officers and Agent Cashiers at VA facilities, it is necessary to process TFS Form 2958, Delegation of Authority, to notify the Department of the Treasury of the name of the Director who has the delegated authority to make these appointments. Similarly the name of the previous Director must be revoked by submitting the same form. The entire set of three copies must be submitted for each action to the Cash Management Policy Division (047G4), for approval and processing through the Department of the Treasury. The yellow copy of the form will be returned to the originating office for their record. Forms TFS 2958 are only obtainable from Central Office, Cash Management Policy Division (047G4). They are not stocked by the Depot.

b. When the delegator of authority has been established with the Department of the Treasury the SF 210, Signature Card for Certifying Officer, may be submitted to your Treasury Financial Center.

c. All certifying officers, except those certifying vouchers covering expenditures and withdrawals from restricted accounts of Personal Funds of Patients, will be Fiscal activity employees. The responsibilities of certifying officers are contained in the provisions of 31 U.S.C. 3528.

d. SF 210 cards need not be submitted for those field stations whose payments are made through the CALM/FMS systems since all payments made through CALM/FMS are certified for payment at the VA Finance Center, Austin, TX.

e. Directors and the Fiscal/Finance Officers at those field stations that make payment other than through CALM/FMS, are hereby authorized to designate employees to certify vouchers for payment by the Treasury Financial Center rendering service to the station, and to amend or revoke such authorization of certifying officers whenever necessary. An SF 210, Signature Card for Certifying Officer, will be used for each designation and authentication of signature. Each SF 210

card will be completed to show the eight-digit agency station symbol above the station name, and the appropriate Treasury disbursing office should be noted under "Location of Disbursing Office" should include the disbursing office. The forms, signed by the authorizing official, will be forwarded 30 days prior to the end of the current fiscal year to the Treasury disbursing office, and a copy retained for station records. Designated employees may certify vouchers on and after date of signature by the authorizing official.

f. In the event of a change in the name of a certifying officer, a new SF 210 card will be prepared. For purpose of revocation, a letter over the signature of the appropriate official will be addressed to the Treasury disbursing office and a copy retained in station files.

g. Certifying officers will certify vouchers pertinent to the organizational elements indicated by their respective position title. However, in order to provide flexibility of operation and coverage during periods of emergency their designation should not be limited by type of voucher except as to vouchers covering disbursements from Personal Funds of Patients. Certifying officers, other than Directors, will not certify vouchers from Personal Funds of Patients with restricted accounts, except when specifically authorized in writing by the Director.

h. Certifying officers are individually and personally responsible for their acts with respect to the certification of vouchers for payment. Their certification of vouchers is not a ministerial act, but is one to be performed or not, according to the judgment of the individual based on the facts establishing the legality and propriety of the claim. They will not be hampered in the exercise of their independent judgment in this matter. While it is not intended to prohibit administrative officers from discussing with certifying officers any facts or circumstances bearing on bills and vouchers with a view toward expediting settlements, nothing in the way of coercion or administrative pressure will be used under any circumstances to obtain certification. On the other hand, certifying officers shall not be arbitrary, capricious, preferential, or dilatory in their consideration and disposition of vouchers presented for certification.

i. Certifying officers shall be held responsible for the existence and correctness of the facts recited in the certificate or otherwise stated on the voucher or supporting papers, and for determining the legality of the proposed payment under the appropriation or fund involved. They shall be held accountable for and required to make good to the United States the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificate made by them as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved. The Comptroller General may, at his/her discretion, relieve such certifying officer or employee of liability for any payment otherwise proper whenever it is found.

(1) That certification was based on official records and that such certifying officer did not know, and by reasonable diligence and inquiry could not have ascertained, the actual facts; or

(2) That the obligation was incurred in good faith, that the payment was not contrary to any statutory provision specifically prohibiting payments of the character involved, and that the United States has received value for such payment, and that the responsibility and accountability of certifying officers shall be deemed to include the correctness of the computations of certified vouchers.

(3) That the overpayment was made to any common carrier covered by 49 U.S.C. 66, and occurred solely because the administrative examination made prior to payment of transportation bill did not include a verification of transportation freight classifications.

(4) That questionable items for payments of \$100 or less had been determined payable by the Fiscal Officer of the facility in accordance with GAO Title 7, Subsection 8.4.

j. When doubt exists as to the legality of a payment in excess of \$100, a certifying officer has the right under the authority of 31 U.S.C. 3529 to apply for and obtain an advance decision from the Comptroller General on any question of law involved in a payment on any voucher presented for certification. A request to the General Accounting Office for such a decision must be accompanied by a copy of the voucher and each supporting document involved. Advance decisions concerning payments in the amount of \$100 or less will not be requested from the General Accounting Office, but a

determination as to the propriety of payment will be made by the Fiscal Officer of the facility involved. A copy of the document containing the determination will be attached to the voucher claim and will be considered conclusive.

- k. All requests for relief of certifying officers should be submitted to the DAS for Financial Management (047).

## 9. CERTIFICATION BY OTHER THAN AUTHORIZED OFFICER

SF's 1081, Voucher and Schedule of Withdrawals and Credits or other such documents which do not result in the paying out of any funds from the Department of the Treasury will be accepted and processed by the Austin Finance Center, if certified by either of the following:

- a. A duly designated certifying officer; or
- b. A responsible employee who has been administratively designated for the purpose of signing such forms.

## 10. NOTICE OF SALES OR COLLECTIONS

a. Whenever collections are to be made, copies of all contracts, leases, and other agreements covering sale or use of Government land, buildings, or other property, and copies of documents establishing prices or charges for Government property or services will be furnished the Finance activity with an OF 1114, Bill for Collection, which will be promptly prepared as soon as the amount of an indebtedness has been established. Where an indebtedness represents the amount due for goods or services provided to individuals or organizations outside the U.S. Government, the billing is to be prepared and dispatched within 1 working day following receipt of advice that the goods have been shipped or the services completed. The payment due date will be 30 days from the date of first notification. Contracts authorizing the sale of goods or services to an organization outside the U.S. Government will include provisions to accomplish the following purposes:

- (1) Establish a definite payment due date.
- (2) Stipulate that payment is to be received no later than the due date.
- (3) Provide for payment by wire transfer where cost effective and in the best interest of the Government.

b. The administrative officer having jurisdiction over the transaction from which the indebtedness arose has the responsibility for preparation of the OF 1114. This form will be prepared in a quadruplicate set. The set will consist of an original OF 1114 (white) and three OF 1114B (blue). Each administrative office will number consecutively and identify the forms originating in that office. The information will be placed on the line "Bill No.", for example, "Supply 123." A new series of numbers will be used for each fiscal year. At the end of each fiscal year the Fiscal activity will be advised of the last number used. The initiating administrative official will date and sign the OF 1114B and forward the OF 1114 and the first two OF 1114B copies to the Fiscal activity. The third copy of OF 1114B will be retained by the initiating activity. OF 1114 series will not be used for collections pertaining to the following:

- (1) United States Government Life Insurance.
- (2) National Service Life Insurance.
- (3) Revolving Fund loan payments.
- (4) Personal Funds of Patients.
- (5) Adjusted Service Certificate.
- (6) Overpayments of disability compensation, pension, educational allowance, or salary of employees currently on the payroll of the station, except in the event an employee fails to provide written consent to liquidate debts due the United States.

(7) Amounts due from other agencies which are billed on SF 1080, Voucher for Transfers Between Appropriations and/or Funds (Disbursements), or SF 1081, Voucher and Schedule of Withdrawals and Credits.

(8) Mortgage loan collections.

(9) Loan Guaranty indebtedness.

(10) Refunds from carriers for tickets.

(11) Civil relief indebtedness.

(12) Employee travel advances.

c. When it has been determined that the carrier is responsible for loss or damage in a Government shipment a claim shall be prepared on SF 362, U.S. Government Freight Loss/Damage Claim, in accordance with FPMR 101-40.700 and forwarded to the Fiscal activity.

## 11. PROCESSING CLAIMS AND BILLS FOR COLLECTION

a. After audit and before the claim or bill for collection is delivered or mailed to the debtor, it will be stamped "Payment due 30 days from date of notification." Due process must be afforded in accordance with MP-4, Part VIII. One copy will be routed to the Accounting activity, as the official subsidiary file and another copy will be routed to the Agent Cashier, if deemed necessary for identification purposes of collections by cash or check. When an item is reported to the General Accounting Office as uncollectible, the copy in the files of the Agent Cashier will be noted as uncollectible and forwarded to the Accounting activity.

b. In those cases where OF 1114 is prepared for property returned to a vendor under an exchange-sale agreement, and a notation is made to the effect that the amount shown is to be applied against future purchases, follow-up action will not be made. Indebtedness by employees for services, such as guest meals, laundry, and telephone toll charges must be paid promptly upon receipt of bill for collection. It is optional whether a single OF 1114 be prepared in the amount of the annual rental for surplus space, lodgings leased to persons other than VA employees and other annual recurring charges. In lieu thereof the station may furnish the Agent Cashier with a copy of the lease or contract. Collections of monthly rental will be noted on the contract. Monthly installment payments will be made in advance in accordance with the terms of the lease or other written agreement. In cases of failure to pay in advance, an OF 1114 will be prepared for the delinquent monthly payment. All arrears in collection from VA employees will be reported to the Director.

c. Appropriate follow-up will be made on all unpaid items in accordance with MP-4, Part VIII, since it is mandatory that collections be made promptly. This follow-up function or subsequent write-off will not be performed by an individual who collects and/or deposits funds.

d. At the end of each month the pending file of bills for collection will be listed and forwarded to the Accounting activity for verification with the official subsidiary file copy.

## 12. SALE OF GUEST MEALS

a. The Fiscal activity will maintain a numerical log of VA Forms 10-2684, Authority and Receipt for Guest Meal, issued and numbered by the dietitian. It will insure that there is an accounting for each form issued or voided, and that collection is effected from all persons who are indebted for meals. Any discrepancies in the log will be reported to the Director by memorandum. After appropriate inquiry, the Director will advise the Fiscal activity in writing, as to the action to be taken.

b. When collections for guest meals are effected by employees other than the Agent Cashier, the collections and guest meal tickets will be forwarded to the Agent Cashier. The Agent Cashier will verify the total collections with the amount of the guest meal tickets received. The inclusive numbers of the guest meal tickets will be listed on VA Form 4-1027, Field Service Receipt - General.

c. VA Forms 10-2684 issued for meals of classified employees of the station on a credit basis will be retained by the dietitian until the end of the billing period. Once a month an OF 1114, Bill for Collection, will be prepared, signed, and distributed for each employee receiving meals on this basis. VA Forms 10-2684 will be listed by number in the "Description" column, and the amount of each ticket shown in the "Amount" column, and attached to OF 1114B, Collection Voucher.

d. After VA Forms 10-2684 have been checked against OF 1114, or VA Form 4-1027, they will be filed in numerical order.

## 13. HOSPITALIZATION FURNISHED TO THE INELIGIBLE

a. When hospitalization has been furnished an ineligible person, the Chief Medical Administration Service will prepare Form UB-82, Statement of Charges for Medical Care, and forward it to the Fiscal activity. If medical records indicate the debtor is an incompetent person without a guardian the Fiscal activity will be advised of this fact. In such instances the Fiscal/Finance Officer will automatically refer the case to the Committee on Waivers and Compromises. In all other cases the Fiscal/Finance Officer will forward the debtor Form UB-82 and the collection letter that applies advising of the right to request waiver consideration. Requests for waiver will be processed as prescribed in MP-4, Part VIII. All referrals to the committee will include supporting documents, including evidence of the debtor's financial circumstances as required by MP-4, Part VIII.

b. Any funds belonging to the ineligible person which are on deposit in the Personal Funds of Patients account will be held pending decision by the committee. If the indebtedness is waived in full, the funds held in the Personal Funds of Patients account will be released to the individual. If the committee does not approve the waiver, the balance may be used to offset the indebtedness.

c. Referral of the indebtedness to the Committee on Waivers and Compromises and its collection or disposition will be handled in accordance with the provisions of MP-4, Part VIII.

## 14. INDEBTEDNESS TO ANOTHER GOVERNMENT DEPARTMENT

If a voucher deduction is made to cover an indebtedness to another Government department, the voucher will be prepared in the usual manner, except that an extra copy of the voucher will be prepared when appropriate for the establishment concerned. This extra copy will be submitted to the disbursing office and will bear an entry requesting that it be transmitted with the check to the establishment for which the collection is being made. When another Government establishment is requested to collect an amount due VA by deduction from a fiscal voucher, the establishment will be advised of the appropriation symbol, the disbursing office (DO) symbol, and the station number. They will also be requested to furnish the disbursing office with an extra copy of the collection document for station use.

**15. UNOFFICIAL USE OF GOVERNMENT FACILITIES**

In accordance with MP-4, Part VIII, VA officers, employees, or private individuals who use official facilities such as telephones for their personal or private business under emergency situations will make prompt report of such use to the appropriate administrative official. Prompt settlement for the cost of such use plus any tax that may be applicable to such service is required. If such usage is not reported and reimbursement is not made prior to receipt of the bill from the vendor, the Fiscal/Finance Officer shall immediately contact the individual who used the service unofficially and demand prompt payment to prevent a delay in the settlement with the vendor that provided the service to VA.

**16. CREDIT CARD COLLECTIONS**

The collection of Government funds via credit card is an alternate mechanism employed by the Government in the collection of fees, fines and debts. The policy and procedures guiding Finance employees in the collection of public funds via credit card are contained in VA Directive and Handbook 4010.

**17. ATM PROGRAM**

In 1990, VA introduced the Automatic Teller Machine (ATM) program. This new program was advanced by the Department of Treasury to be used by Federal Agencies as an alternate mechanism to the use of cash for travel advances. The policy and procedures guiding Finance employees in the implementation of this program are outlined in VA Directive and Handbook 4010.