

# INDIAN AFFAIRS MANUAL

Part 27

Financial Management

Chapter 17

Use of Expired Funds

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**1.1 Purpose.** This chapter establishes the process and responsibilities of personnel for recording obligations using expired funds.

**1.2 Scope.** This policy applies to all offices under the Assistant Secretary - Indian Affairs (ASIA), including offices reporting to the AS-IA, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE).

**1.3 Policy.** It is IA's policy to prevent to prevent unauthorized obligations using expired funds.

**1.4 Authority.**

**A. Statutes and Regulations.**

- 1) 31 U.S.C. §§ 1501 - 1503, Appropriation Accounting - General
- 2) 31 U.S.C. §§ 1551 - 1558, Appropriation Accounting - Closing Accounts
- 3) P.L. 97-258, The Anti-Deficiency Act of 1982, as amended

**B. Guidance.**

- 1) Government Accountability Office's (GAO) Principles of Federal Appropriation Law (Red Book), 3<sup>rd</sup> Edition, Volume 1, Chapter 5 - Availability of Appropriations: Time
- 2) Department of the Interior (DOI) Acquisition, Arts, and Asset Policy (DOI-AAAP)-0035, version 2, Acquisition Purchase Requests
- 3) 26 IAM 2, Administrative Control of Funds
- 4) 27 IAM 6, Undelivered Orders

**1.5 Roles and Responsibilities.**

**A. Director, IA Office of Budget and Performance Management (OBPM), DAS-M**

develops and implements budget policy, procedures, processes, and systems to execute IA budget functions to ensure that:

- 1) budgetary data is entered into the Financial and Business Management System (FBMS) accurately;
- 2) expiration dates for certain account assignments are accurate;

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- 3) access and privileges are properly controlled and monitored for updating budget tables in FBMS; and
  - 4) appropriate controls are established and maintained within the Funds Management Module of FBMS.
- B. Chief Financial Officer (CFO), DAS-M** serves as the principal financial management advisor to the AS-IA and senior IA officials. The CFO establishes an overall system of fund controls and reports Anti-Deficiency Act statutory violations.
- C. Financial Systems Division (FSD), Office of the CFO (OCFO)** is responsible for:
- 1) reviewing requests for FBMS overrides involving expired funds;
  - 2) ensuring FBMS override authority is coordinated between the FBMS user and the Business Integration Office (BIO) for approved requests;
  - 3) ensuring the FBMS users authorized with the expired fund override access are removed in a timely manner from the system table;
  - 4) monitoring obligation activities in expired funds; and
  - 5) obtaining technical assistance from appropriate offices as applicable.
- D. Head of the Contracting Activity (HCA)** reports to the CFO, and is responsible for the overall management of IA's contracting activities. This includes establishing acquisition policy, guidance, and oversight of all acquisition activities within IA.
- E. Contracting Officer (CO)** is responsible for:
- 1) ensuring performance of all necessary actions for effective contracting;
  - 2) ensuring compliance with the terms of the contract;
  - 3) safeguarding the interests of the United States in its contractual relationships; and
  - 4) ensuring adherence and application of this policy.
- F. Program Offices** are responsible for carrying out IA services or supporting IA service providers with funding allocations received. Program Offices must:
- 1) verify the availability of expired funds prior to requesting the obligation of funds; and
  - 2) complete and submit to FSD the Obligation in Expired Fund Request Form when requesting to use expired funds.

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### 1.6 Definitions.

- A. **Appropriation** is the budget authority to incur obligations and to make payments from the U.S. Treasury for specified purposes.
- B. **"Bona Fide Needs" rule** is when a fiscal year (FY) appropriation may be obligated only to meet a legitimate, or *bona fide*, need arising, in or in some cases arising prior to, but continuing to exist in, the FY for which the appropriation was made.
- C. **Contract change** is a change in which the contractor is required to perform additional work, not including adjustments to pay claims or increases under an escalation clause (31 U.S.C. § 1553(c)).
- D. **Expired fund** is a fund whose period of availability has ended and is no longer available for new obligations but retains its fiscal identity and is available for an additional five FYs for disbursement of obligations properly incurred during the fund's period of availability.
- E. **FBMS** is managed by the BIO and is an integrated business system that supports all organizations within the DOI for budget, performance, financial, acquisition, financial assistance, and property management. FBMS is both the accounting and procurement system of record for DOI. FBMS ensures that no new commitments, obligations, (purchase orders or funds commitments), investments, or sales orders are created against expired funds. FBMS also prevents changes to previously posted commitments, obligations (purchase orders or funds commitments), investments, and sales orders if the change involves an expired fund. FBMS does not currently perform an expired fund validation on other activities such as direct labor postings, charge card, or travel transactions. However, FBMS users can be granted the authority to override the validation if such authority is warranted.
- F. **Fiscal Year (FY)** is any yearly accounting period, regardless of its relationship to a calendar year. The FY for the Federal Government begins on October 1 of each year and ends on September 30 of the following year; it is designated by the calendar year in which it ends.
- G. **Funds** in the context of FBMS are structures used to track budgetary resources received through appropriations from the General Fund at the U.S. Treasury, revenues, and other budgetary authority.
- H. **Obligation** is a definite commitment that creates a legal liability of the Federal Government for the payment of goods and services ordered or received, or a legal duty on the part of the United States that could mature into a legal liability by virtue

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of actions on the part of the other party beyond the control of the United States. Obligations within FBMS refer to reserving or obligating monies to a specific vendor. Obligation documents include Funds Commitments and Purchase Orders.

- I. Period of availability** is the period of time for which appropriations are available for obligation.

## 1.7 Standards, Requirements, and Procedures.

### A. General

Before recording an obligation using expired funds, the Program Office must ensure that the obligation is permissible per all applicable statutes, regulations, and guidance.

31 U.S.C. § 1501(a) lists documentary evidence requirements for valid obligations and requires that obligation amounts reported to Congress only include valid obligations. In summary, valid obligations are categorized as follows:

- Binding Agreements
- Loan Agreements
- Interagency Orders Required by Law
- Orders without Advertising
- Grants & Subsidies
- Pending Litigation
- Employment and Travel
- Public Utilities
- Other Legal Liabilities

Appropriated funds may not be obligated after the end of the period of availability, except in these circumstances:

- Contract modifications affect the price
- Bid protests
- Terminations for default
- Terminations for convenience

IA has programs funded with indefinite budget authority: Contract Support Costs (CSC), and Section 105 Leasing (105L). With the indefinite budget authority, IA is authorized to request additional funding for legitimate need in subsequent years even if the fund is in an expired status. As such, requests for these programs are pre-approved pending funds availability. After FY 2025, override authority will be granted

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automatically for these funds and a request form will not be required.

### **B. When an FBMS override is not necessary**

When an FBMS override is not necessary to record a transaction, the Program Office is responsible for reviewing, approving, and recording, when applicable, the transaction in FBMS.

### **C. When an FBMS override is necessary**

When an FBMS override is necessary to record a transaction in FBMS, the responsible Program Office must prepare and submit an Obligation in Expired Fund Request Form to the FSD.

The form will be reviewed by FSD, and a determination will be made as to whether or not the use of expired funds is appropriate; the FSD Division Chief or designee will communicate the result. Examples of situations that may be approved are:

- valid obligations that were erroneously de-obligated and need to be re-obligated;
- obligations that were erroneously recorded with an incorrect FBMS account assignment and need to be re-entered with the correct account assignment;
- existing obligations requiring additional funding;
- valid obligations that were created prior to fund expiration but were not recorded in FBMS;
- settlement payments; and
- re-authorized indefinite budget authority funds.

When appropriate, FSD may request additional review by the IA Office of Budget and Performance Management (OBPM), Office of Self-Determination, Office of Self-Governance, BIE awarding officials, CO, or the HCA. These offices and/or individuals may be asked to present additional justification to support or oppose approval. However, the final determination will be made by the FSD Division Chief or designee. Examples of situations that may require additional review are:

- obligations that require an increase in contract costs;

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- obligations in excess of available funding;
- obligations related to P.L. 93-638 contracts and compacts; and
- obligations related to P.L. 100-297 school grants.

If the obligation is required to cover a contract change, additional approvals may be required depending on the dollar amount of the request per 31 U.S.C. § 1553(c).

If the obligation is found to be valid, but funds are not available or were not available at the time of obligation, an anti-deficiency violation has occurred and must be reported to the CFO pursuant to 26 IAM 2.

If FSD approves the request for obligation of expired funds, FSD personnel will coordinate the authority to override the obligation in FBMS and will assist in completing the recording of the obligation.

If the request is not approved, FSD will provide the reason and a recommendation for proceeding.

All requests for use of expired funds that require a FBMS override will be logged and tracked by FSD. Transactions not requiring a FBMS override (e.g., labor and charge card reallocations) will not be tracked.

## 1.8 Reports and Forms.

The Program Office(s) must complete and submit an Obligation in Expired Fund Request Form when a FBMS override is necessary. The form is available online here: <https://www.bia.gov/policy-forms/online-forms/specific-forms-and-guidance?page=1>.

The completed Obligation in Expired Fund Request Form should be submitted to the FSD via their dedicated e-mail: [ia\\_cfo\\_expired\\_funds\\_requests@bia.gov](mailto:ia_cfo_expired_funds_requests@bia.gov). These forms will be reviewed and processed in a timely manner.

## Approval

JASON  
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Digitally signed by JASON  
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Jason E. Freihage  
Deputy Assistant Secretary - Management (DAS-M)

Date