

**Fundamentals of Fiscal Law
181-CCFS-C10 / Version 2
Effective Date 09 Nov 2012**

SECTION I. ADMINISTRATIVE DATA

All Courses Including This Lesson

<u>Course Number</u>	<u>Version</u>	<u>Course Title</u>
None		

Task(s) Taught(*) or Supported

<u>Task Number</u>	<u>Task Title</u>
None	

Reinforced Task(s)

<u>Task Number</u>	<u>Task Title</u>
None	

Knowledge

<u>Knowledge Id</u>	<u>Title</u>	<u>Taught</u>	<u>Required</u>
None			

Skill

<u>Skill Id</u>	<u>Title</u>	<u>Taught</u>	<u>Required</u>
None			

Administrative/ Academic Hours

The administrative/academic hours required to teach this lesson are as follows:

<u>Academic</u>	<u>Resident Hours / Methods</u>		
No	1 hr	45 mins	Briefing
Yes	0 hrs	0 mins	Test Review
Yes	0 hrs	0 mins	Test
<hr/>			
Total Hours:	1 hr	45 mins	

Test Lesson Number

<u>Hours</u>	<u>Lesson Number</u>
None	

Prerequisite Lesson(s)

<u>Lesson Number</u>	<u>Lesson Title</u>
None	

Training Material Classification

Security Level: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Foreign Disclosure Restrictions

FD5. This product/publication has been reviewed by the training/educational developers in coordination with the The Judge Advocate General's Legal Center and School, Charlottesville, Va 22803 FD authority. This product is releasable to students from all requesting foreign countries without restrictions.

References

<u>Number</u>	<u>Title</u>	<u>Date</u>	<u>Additional Information</u>
AR 27-1	Legal Services, Judge Advocate Legal Services (*RAR 001, 09/13/2011)	15 Sep 1989	

Student Study Assignment

None

Instructor Requirements

Absent exceptional circumstances, this lesson should be taught by a judge advocate. MOS 27A judge advocate.

Additional Support Personnel Requirements

<u>Name</u>	<u>Student Ratio</u>	<u>Qty</u>	<u>Man Hours</u>
None			

Equipment Required for Instruction

<u>ID - Name</u>	<u>Student Ratio</u>	<u>Instructor Ratio</u>	<u>Spt</u>	<u>Qty</u>	<u>Exp</u>
None					

Materials Required

Instructor Materials:

None

Student Materials:

None

Classroom, Training Area, and Range Requirements

None

Ammunition Requirements

<u>DODIC - Name</u>	<u>Exp</u>	<u>Student Ratio</u>	<u>Instruct Ratio</u>	<u>Spt Qty</u>
None				

Instructional Guidance

NOTE: Before presenting this lesson, instructors must thoroughly prepare by studying this lesson and identified reference material.

None

Proponent Lesson Plan Approvals

<u>Name</u>	<u>Rank</u>	<u>Position</u>	<u>Date</u>
james.tripp1	Not available	Approver	13 Nov 2012

SECTION II. INTRODUCTION

Method of Instruction: Briefing
Instr Type(I:S Ratio/Qty): 27A(null:null/0)*
Time of Instruction: 10 mins
Instructional Strategy: Lecture
Note: Marked as (*) is derived from the parent learning object

Motivator

Note: Show slide 1



Welcome to the block of instruction on fiscal law for Company Commanders and 1SGs. This block is intended to give you a basic understanding of the rules regarding the use of the funds provided to your commands. This is not intended to make you subject matter experts, but rather give you the ability to spot issues and know when to ask a Judge Advocate for guidance.

"ALWAYS call your judge advocate when you have questions or concerns. Train your staff to call your judge advocate.

Often, your judge advocate will be willing to come and train your staff."

NOTE. Inform the students of the following Terminal Learning Objective requirements.

At the completion of this lesson, you [the student] will:

Action:	Fiscal Law
Conditions:	

Terminal Learning Objective

	In a classroom environment be able to understand the Fiscal Law for Compant Cdr's and 1SG course and standard office supplies and equipment.
Standards:	You must comprehend/understand Fiscal Law IAW AR 27-1

Safety Requirements

None.

Risk Assessment Level

None

Environmental Considerations

NOTE: Instructor should conduct a Risk Assessment to include Environmental Considerations IAW FM 3-34.5, Environmental Considerations {MCRP 4-11B}, and ensure students are briefed on hazards and control measures.

NOTE: It is the responsibility of all Soldiers and DA civilians to protect the environment from damage.

Evaluation

NOTE: Describe how the student must demonstrate the accomplishment of the TLO. Refer student to the Student Evaluation Plan.

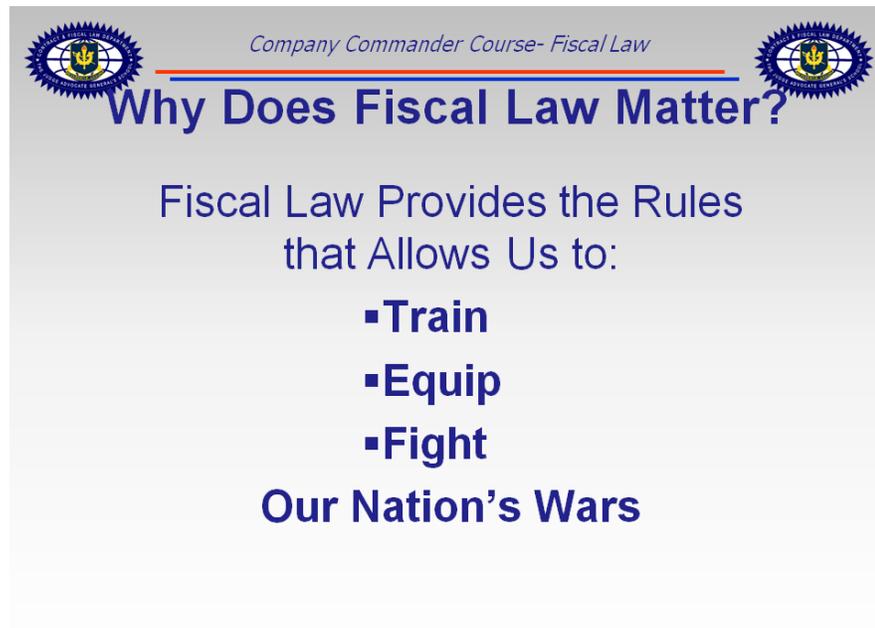
Instructional Lead-in

Note: show slide 2



Everything the military does costs money. Whether its getting the latest MRAPs, fielding the latest rifles, or building roads, barracks, or detention facilities in Afghanistan, the Army needs money. There are, however, rules on how we can spend money.

Note: Show Slide 3



The slide features a grey background with two circular logos at the top corners, each containing a globe and a dollar sign. The text is centered and reads: "Company Commander Course- Fiscal Law" in a small font, followed by "Why Does Fiscal Law Matter?" in a large, bold, blue font. Below this, it states "Fiscal Law Provides the Rules that Allows Us to:" followed by a bulleted list: "▪Train", "▪Equip", and "▪Fight". At the bottom, it says "Our Nation's Wars" in a bold, blue font.

Company Commander Course- Fiscal Law

Why Does Fiscal Law Matter?

Fiscal Law Provides the Rules
that Allows Us to:

- Train
- Equip
- Fight

Our Nation's Wars

The Army is funded to train, equip, and fight our nations wars. Fiscal Laws exist to ensure that money is spent only to further those aims.

SECTION III. PRESENTATION

NOTE: Inform the students of the Enabling Learning Objective requirements.

A. ENABLING LEARNING OBJECTIVE

ACTION:	Fiscal (Funding) Framework
CONDITIONS:	In a classroom environment Discuss Fiscal Law framework
STANDARDS:	You must comprehend/understand the Fiscal Law Framework IAW AR 27-1

ELO A - LSA 1. Learning Step / Activity ELO A - LSA 1. Funding

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

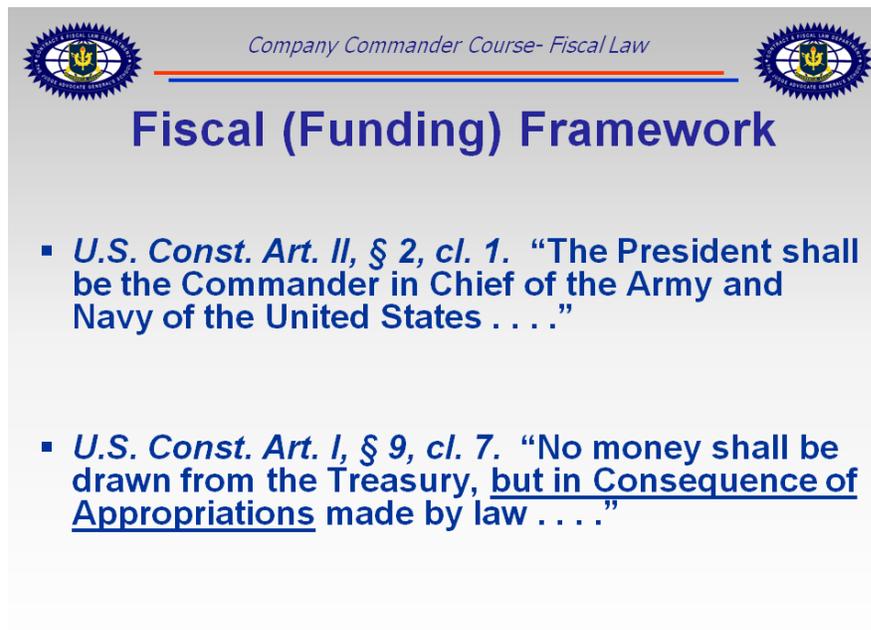
Time of Instruction: 0 hrs 10 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 4



The slide features a header with the text "Company Commander Course- Fiscal Law" and two circular logos on either side. The main title is "Fiscal (Funding) Framework". Below the title are two bullet points:

- ***U.S. Const. Art. II, § 2, cl. 1.*** “The President shall be the Commander in Chief of the Army and Navy of the United States”
- ***U.S. Const. Art. I, § 9, cl. 7.*** “No money shall be drawn from the Treasury, but in Consequence of Appropriations made by law”

Under our separation of powers concept of government, the Constitution invests certain powers in the different branches. The President is the Commander in Chief, responsible for the Armed Forces of the United States. He issues the rules and regulations that guide the Armed Forces. Congress, however, has the power of the

purse. It is through this power of the purse that Congress is able to exercise some measure of control over the Armed Forces.

Note: Show Slide 5

 *Company Commander Course- Fiscal Law* 

“The established rule is that the **expenditure of public funds is proper only when authorized by Congress**, *not* that public funds may be expended unless prohibited by Congress.”

United States v. MacCollom,
426 U.S. 317 (1976)



The 1976 Supreme Court case, *US v. MacCollom*, states the law- “expenditure of public funds is proper only when authorized by Congress”. Even though *MacCollom* involved the seemingly trivial manner or a free transcript of a criminal proceeding, regardless of the subject matter, the law is clear:

The power of the purse means that Congress must specifically allow purchases, not that a purchase is authorized unless Congress prohibits it.

Note: Show Slide 6



Fiscal Law is Different

Congress has to say you can do it

Just because Congress doesn't prohibit it, doesn't mean you can



Unlike most aspects of Command, when it come to spending money, you need specific authority. There is no inherent authority to expend funds.

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO A): None.

REVIEW SUMMARY(ELO A): None.

B. ENABLING LEARNING OBJECTIVE

ACTION:	Purpose
CONDITIONS:	In a classroom environment discuss the purpose of the Fiscal Law Framework
STANDARDS:	You must comprehend/understand the Purpose of the Fiscal Law Framework IAW AR 27-1

ELO B - LSA 1. Learning Step / Activity ELO B - LSA 1. Fiscal Framework: Purpose

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)*

Time of Instruction: 0 hrs 5 mins

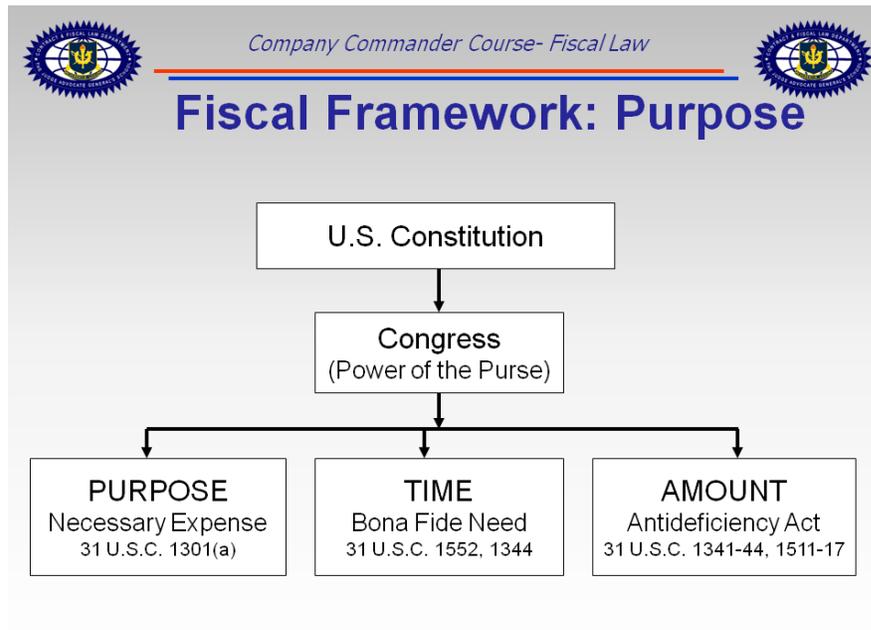
Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Marked as (*) is derived from the parent learning object

Note: Show Slide 7



There are three main statutes that Congress created to ensure that money is spent properly. There is the Purpose statute, the Time statute, and the Anti-Deficiency Act. We will cover each of these statutes, but let's start with the first one: The Purpose Statute.

Note: Show Slide 8



Purpose Statute

Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

31 U.S.C. 1301(a) 301

This statute reiterates that you must have specific statutory authority. Congress passes different types of bills that provide authority to spend money. We will cover what they are.

The “Except as otherwise provided” language governs where Congress creates exceptions to its general rule. An example of this is the Commander’s Emergency Response Program which, in 2012, allows the use of appropriated funds to help the Afghan people.

We will first look at how Congress provides the Department of Defense with funds and how it allows the DOD to spend these funds.

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO B): None.

REVIEW SUMMARY (ELO B): None.

C. ENABLING LEARNING OBJECTIVE

ACTION:	Controlled Funding
CONDITIONS:	In a classroom environment learn how Funds are Controlled
STANDARDS:	You must comprehend/understand How Funds are Controlled IAW AR 27-1

ELO C - LSA 1. Learning Step / Activity ELO C - LSA 1. How Congress Controls Funding

Method of Instruction: Briefing
Instr Type(I:S Ratio/Qty): 27A(/0)

Time of Instruction: 0 hrs 10 mins
Instructional Strategy: Lecture
Media Type: PowerPoint Presentation
Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 9



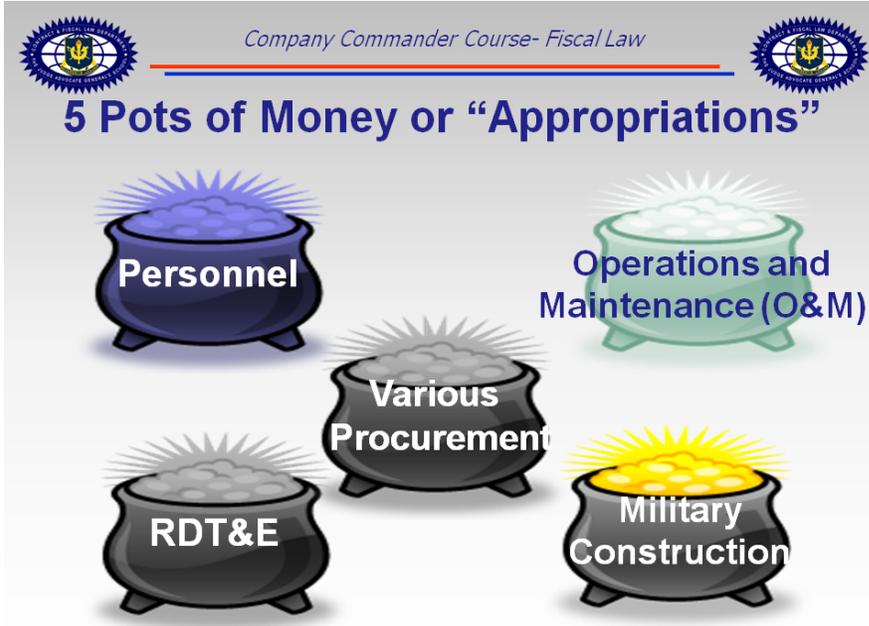
Company Commander Course- Fiscal Law

How Congress Controls Funding

- Appropriations Act
 - Department of Defense Appropriations Act (DODAA)
- Authorization Act
 - National Defense Authorization Act (NDAA)
- Statutes and Regulations

These are the many ways that Congress provides us either authority to purchase items, or expressly restricts us from specific purchases. The Department of Defense Appropriations Act is the bill passed by Congress, and signed by the President, on an annual basis to fund specific “Pots of Money” for the Department of Defense. We will cover what those “Pots of Money” are later. The Appropriations Act also contains specific authority, and restrictions, on the expenditure of funds. The National Defense Authorization Act originates from the Armed Service Committees in the respective houses of Congress and contains DOD specific guidance, including providing certain authority and restrictions on expenditure of DOD funds. There are also various other statutes and regulations that provide further restrictions or authority to purchase items. Here’s an example: **10 U.S.C. § 2246.** “. . . Funds appropriated to the Department of Defense may not be used to equip, operate, or maintain a golf course” Congress has specifically prohibited the use of funds provided under the appropriations act to equip, operate, or maintain golf course.

Note: Show Slide 10



When Congress funds the DOD, there are five main “pots of money” it provides. There are various other specialized pots, but these are the main ones. Of these pots of money, you, as a Company level leader, will only have one: Operations and Maintenance or O&M or OMA [operations and maintenance, Army]. All of the other pots are at Division or higher level Commands.

[RDT&E= Research Development, Testing and Evaluation]

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO C): None.

REVIEW SUMMARY(ELO C): None.

D. ENABLING LEARNING OBJECTIVE

ACTION:	Operation & Maintenance
CONDITIONS:	In a classroom environment discuss Operations and Maintenance funds
STANDARDS:	You must comprehend/understand the Operations and Maintenance funds IAW AR 27-1

ELO D - LSA 1. Learning Step / Activity ELO D - LSA 1. Army

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

Time of Instruction: 0 hrs 15 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 11

Company Commander Course- Fiscal Law

Operation & Maintenance, Army

FY12 Consolidated Appropriations Act- P.L. 112-74

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law;...

\$31,072,902,000.

\$30,934,550,000

Here is the exact language that Congress uses when it provides funds for O&M. For expenses, not otherwise provided, necessary for the operations and maintenance of the army. This is the money that you use to train with, and to purchase most day to day expenses items. We will discuss a little later what I mean by certain expense items. You can see, however, that for every unit in the United States Army, there is \$31 Billion dollars to fulfill these needs.

Note: Show Slide 12



Army Procurement Pots

- Aircraft Procurement, Army
- Missile Procurement, Army
- Procurement of Weapons and Tracked Vehicles, Army
- Procurement of Ammunition, Army
- Other Procurement, Army (OPA)

If you are wondering how the Army purchases its various big ticket items, they are purchased through these procurement pots of money. These are the pots of money that are used to purchase main battle tanks, armored personnel carriers, helicopters, Unmanned Aerial Systems, rifles, crew served weapons, bullets, etc, as well as the accessories for them. You will generally not have access to these funds at your level, however.

Note: Show Slide 13



Approved Expenditure?

- Congress Expressly Approved; OR
- Necessary Expense of Agency
 - Necessary and incident to an appropriation's purpose, **and**
 - Not prohibited by law, **and**
 - Not otherwise provided for.

We already discussed how Congress must specifically authorize a purchase. Since Congress, however, cannot think of everything a unit needs to buy, there is a test to determine if a specific purchase fits within the specific "pots of money" that Congress has provided. It is called the "Necessary Expense Test." This test has three part and **each** part must be satisfied in order for the purchase to be acceptable. First, the test must be necessary and incident to the appropriation's, or Pot of Money's, purpose. Second, it must be not prohibited by law. Third, it must not be otherwise provided for. We will discuss each part individually.

Note: Show Slide 14



Necessary and Incident

- Is the expense **necessary and incident** to an appropriation's purpose?
 - Is it **logically related** to the appropriation's purpose?
 - Will it make a **direct contribution** to carrying out an authorized function?

An item is necessary and incident if it is logically related to an appropriation's purpose, **Or** will make a direct contribution to carrying out an authorized function. Essentially, does this purchase help the unit complete its mission: to train, equip, and fight our nations wars?

Note: Show Slide 15



Not Prohibited by Law

- Department of Defense Appropriations Act
- National Defense Authorization Act
- Various Statutes or Regulations

The second part of the test is to see whether Congress has specifically prohibited this purchase. Here, we need to look at the Appropriations Act, the Authorization Act, as well as laws and regulations. If there is no express or implied prohibition, we must look to the next step.

Note: Show Slide 16



The slide features a grey background with two circular logos at the top corners, each containing a globe and a central emblem. The text "Company Commander Course- Fiscal Law" is centered at the top. Below this, the main title "Not Otherwise Provided For" is displayed in a large, bold, blue font. Underneath the title, there is a bulleted list with three items: "Example:", "Purchasing an Optics for M-4", and "Procurement Weapons and Tracked Vehicles". The last item has a sub-bullet: "Includes purchase of accessories".

Company Commander Course- Fiscal Law

Not Otherwise Provided For

- Example:
 - Purchasing an Optics for M-4
 - Procurement Weapons and Tracked Vehicles
 - Includes purchase of accessories

Finally, there must not be a specific pot of money provided to purchase this item. An example is an optic for an M-4. Although purchasing optics will clearly help a unit train and fight a war, there is a specific pot of money already provided to purchase them: Procurement of Weapons and Tracked Vehicles, Army. This pot of money expressly includes the purchase of accessories of weapons. So you can not use your O&M to purchase the optics.

If each of the three tests is satisfied, then the purchase is a necessary expense of an agency and therefore it is authorized by Congress.

Note: Show Slide 17



Classifying the Purchase

- **Expenses:** for all services, and/or certain supply items that are consumed in operating and maintaining DOD (last less than 2 years)
- **Investments:** for capital investment items that benefit both the current and future periods
- **Construction:** for the acquisition of temporary or permanent facilities, or a complete and useable improvement to an existing facility

We need to be careful when purchasing certain items because the nature of the item can determine which pot of money is appropriate. For instance, an item is either going to be an expense item, an investment item, or construction. Expense items are all services, or certain supply items that are consumed in operating and maintaining DOD. The rule of thumb for the latter is items that last less than 2 years. Investment items are long term items that benefit both the current and future fiscal years. Construction is the acquisition of temporary or permanent facilities, or a complete and useable improvement to an existing facility.

Note: Show Slide 18



Expenses vs. Investments

▪ Expenses (O&M)



Office Supplies



Service
Contracts

▪ Investment Items



Furniture



IT Equipment

Lets look at a couple of examples. Office supplies and janitorial contracts are expenses. Office supplies are consumed quickly, certainly in less than 2 years.

Furniture and Information Technology, such as projectors, are investment items. They last longer than 2 years.

Note: Show Slide 19



Investment/Expense Threshold

- **Expense items AND for investment items up to \$250,000:** Purchase with O&M appropriations
- **Investment items whose cost exceeds \$250,000:** Purchase with Procurement appropriations
- **Construction:** Use O&M for costs up to \$750,000

Expense items are purchased using O&M, as are investment items that do not exceed \$250,000. Investment items that exceed \$250,000 must be purchased using Procurement funds, normally, Other Procurement, Army (or OPA) funds. Construction projects that do not exceed \$750,000 are financed using O&M funds. Construction projects over \$750,000 uses different Pots of Money, depending on the total cost.
Note: Show Slide 20

 *Company Commander Course- Fiscal Law* 

Multiple Items and a “System”

- Aggregate cost of systems
 - Does it exceed \$250,000 threshold
- Is it a System?
 - What is the Primary Function?
 - Intended to work together?



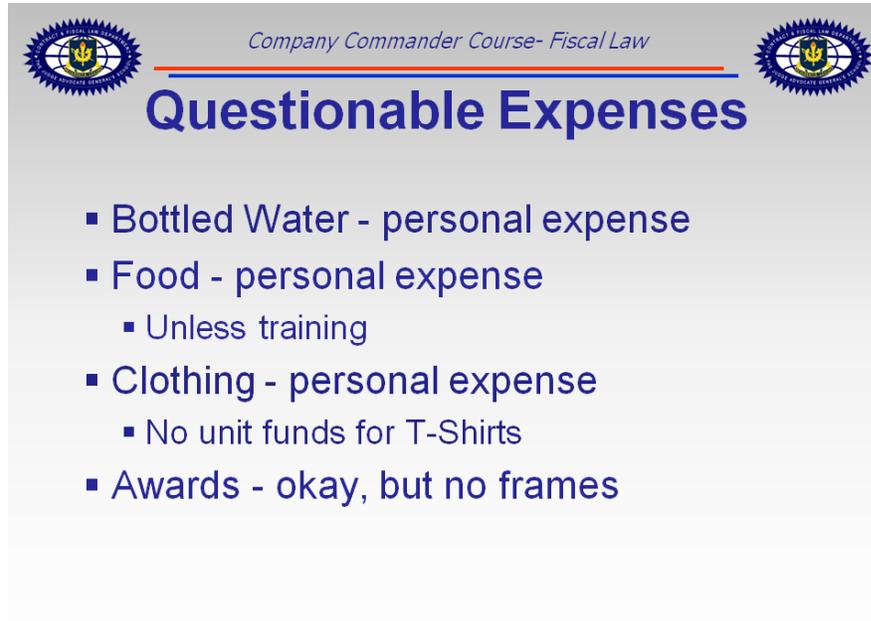
When purchasing several investment items, you may have to aggregate, or add up the total cost of each, for purposes of determining whether the purchase exceeds the \$250,000 threshold. Recall that investment items that exceed \$250,000 must be purchased with Procurement Funds. \$250,000 is called the “investment/expense threshold.” If the several investment items are a system, in that their primary purposes is to work together, you must add the total cost for each item together. If the total purchase does not exceed \$250,000, you may use O&M funds. If the total cost exceeds \$250,000, you must use Procurement funds. If the several investment items are not a system, as they are not intended to work together, each individual item that costs less than \$250,000 can be purchased with O&M.

A good example of the analysis is a security system. Though the central computer and the individual cameras may not cost more than \$250,000, since these investment items are intended to work together, you must add up the total cost for each item to determine if the overall purchase exceeds the \$250,000 threshold.

[If asked, a desktop computer is NOT a system, regardless of whether it is hooked up

to a network and is primarily intended for email and internet research. DFAS IN 37-100-12, APP. A]

Note: Show Slide 21



Company Commander Course- Fiscal Law

Questionable Expenses

- Bottled Water - personal expense
- Food - personal expense
 - Unless training
- Clothing - personal expense
 - No unit funds for T-Shirts
- Awards - okay, but no frames

In your time in Company leadership, you will see many different types of purchases. This slide is a list of common purchases that could cause you problems.

Bottled water: Water is personal expense, unless in a deployed environment. Do not purchase bottled water unless you talk to your legal advisor. **Food:** Food is generally a personal expense. Do not purchase food with unit funds. There are separate rules for those on TDY. Ask your legal advisor if you have any questions.

Unit T-Shirts: Clothing is a personal expense. Do not purchase unit T-shirts with unit funds. Talk to your legal advisor for alternatives.

Awards: Military awards that come through the supply chain are okay, including those green Department of the Army covers. Do not, however, purchase a commercial frame with unit funds. Talk to you legal advisor if you have any questions.

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO D): None.

REVIEW SUMMARY(ELO D): None.

E. ENABLING LEARNING OBJECTIVE

ACTION:	Time
CONDITIONS:	In a classroom environment discuss the Time section of the Fiscal framework
STANDARDS:	You must comprehend/understand the Time section of the Fiscal framework IAW AR 27-1

ELO E - LSA 1. Learning Step / Activity ELO E - LSA 1. Fiscal Framework: Time

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

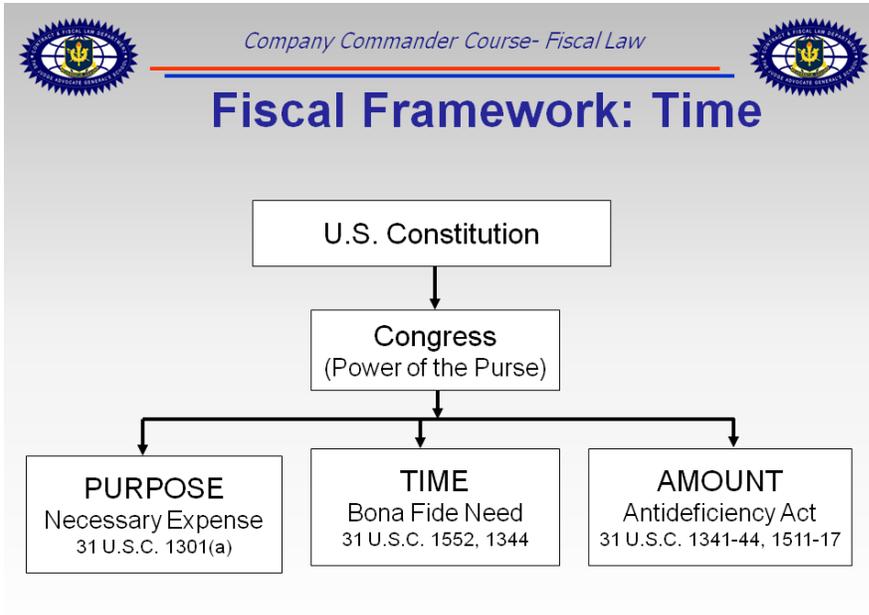
Time of Instruction: 0 hrs 5 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 22



Now that we can discuss whether an item is of a type that can be purchased, we need to look at whether you have a bona fide need for the item in the present fiscal year. This is the "Time" analysis of fiscal law.

Note: Show Slide 23



The different pots of money have different “periods of availability.” The default rule is that the pots of money expire after one fiscal year. O&M is a pot of money that is only available for one fiscal year. Other pots of money have different periods of availability, though that is beyond what you need to know.

Check on Learning: None.

Review Summary: None.

ELO E - LSA 2. Learning Step / Activity ELO E - LSA 2. Bona Fide Needs Rule

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

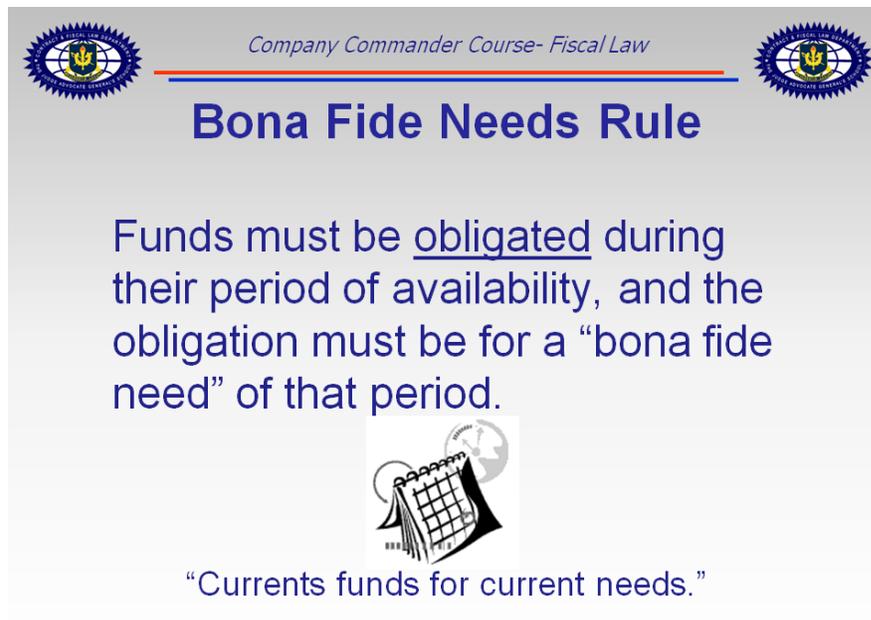
Time of Instruction: 0 hrs 5 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 24



Company Commander Course- Fiscal Law

Bona Fide Needs Rule

Funds must be obligated during their period of availability, and the obligation must be for a “bona fide need” of that period.



“Currents funds for current needs.”

This rule is a timing rule. The basic bona fide needs rule is that Funds can only be obligated during their period of availability, and the obligation must be for a “bona fide need” of that period”. Boiled down to simpler terms, in order to purchase an item

with funds that you have for an specific fiscal year, you must have an actual need for that item in that fiscal year. Current year funds for current year needs, or put differently, no future needs with current year funds. Here's an example problem area. Purchasing items for a deployment that is 6 months away, and that crosses a fiscal year, runs afoul of the bona fide needs rule. If you have a need for the item during the deployment, which is in the next fiscal year, you must wait until the next fiscal year to purchase that item. There are some common exceptions to the general rule, so if you have any questions, ask your legal advisor.

(If asked a question, obligation is the point in time when the gov't incurs a legal liability to pay a third party, usually this is contract award. For the company commander, it will usually coincide with purchase, but the item could be delivered sometime after the obligation is formed. The important event is not when the obligation is recorded in the RM's computer, but rather when the legal liability is created. Obligations can be recorded up to 10 days after they occur.)

Check on Learning: None.

Review Summary: None.

ELO E - LSA 3. Learning Step / Activity ELO E - LSA 3. Fiscal Year

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

Time of Instruction: 0 hrs 5 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 25



Fiscal Year

The US Governments Fiscal Year (FY)
runs from 1 October to 30 September

Example: Fiscal Year (FY) 2012



To understand the bona fide needs rule, you must understand the fiscal year cycle. The federal government operates on a fiscal year different from the calendar year. The federal government fiscal year goes from 1 October to 30 September. After 30 September, the O&M funds that Congress appropriated are no longer usable.

Check on Learning: None.

Review Summary: None.

ELO E - LSA 4. Learning Step / Activity ELO E - LSA 4. Lifespan of Appropriated Funds

Method of Instruction: Briefing

Instr Type(I:S Ratio/Qty): 27A(/0)

Time of Instruction: 0 hrs 5 mins

Instructional Strategy: Lecture

Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 26



Lifespan of Appropriated Funds

Period of Availability (O&M- 1 Year)	5 years (All funds)	US Treasury
'Current'	'Expired'	Closed
For NEW obligations only!!!	To adjust OLD obligations	"Graveyard Dead" (Pays down the debt)

Funds that are current, which is the green portion above, can be used for any new obligation. You must, however, have an actual bona fide need during that green period of time. Once the funds have expired, i.e., exceeded their period of availability, you cannot use them for a new need, though they can be used to pay for obligations properly incurred during the green period. Five years after the funds expire they are closed and return to the treasury.

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO E): None.

REVIEW SUMMARY(ELO E): None.

F. ENABLING LEARNING OBJECTIVE

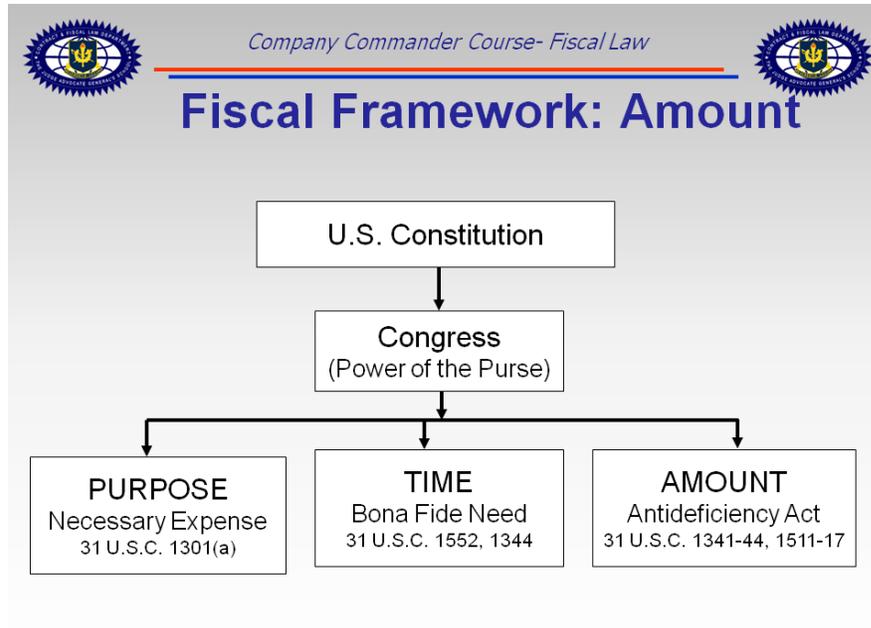
ACTION:	Fiscal Framework: Amount
CONDITIONS:	In a classroom environment discuss the Amount section of the Fiscal framework
STANDARDS:	You must comprehend/understand the Amount section of Fiscal Law IAW AR 27-1

ELO F - LSA 1. Learning Step / Activity ELO F - LSA 1. Amount

Method of Instruction: Briefing
 Instr Type(I:S Ratio/Qty): 27A(/0)
 Time of Instruction: 0 hrs 10 mins
 Instructional Strategy: Lecture
 Media Type: PowerPoint Presentation

Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 27



Now that we discussed whether an item is of a type than can be purchased, and when it can be purchased, we need to look at the Anti-Deficiency Act which governs the "Amount" of a purchase.

Note: Show Slide 28



Amount

- Congress prohibits
 - Obligation of more funds than you have been given
 - Obligation of funds in advanced of receiving them
 - Acceptance of “voluntary services”
 - ‘Augmenting” of appropriations

Congress prohibits various obligations that violate the thresholds of what it has appropriated. You may not obligate more funds than you have been given. You may not obligate funds until you have been actually given them. You may not except voluntary services, subject to certain exceptions. You may not augment your funds. An example of augmentation is if a private citizen wanted to purchase an M1-A2 Abrams Main Battle tank for a tank company. This would be an augmentation because Congress gives us money to train, equip and fight our nations wars. The money that Congress gives us is all that it allows us to spend to train, equip, and fight our nations wars. If we accept the M1-A2, we will have augmented our appropriations and exceeded the limitations set by Congress on equipping our force.

Check on Learning: None.

Review Summary: None.

CHECK ON LEARNING (ELO F): None.

REVIEW SUMMARY(ELO F): None.

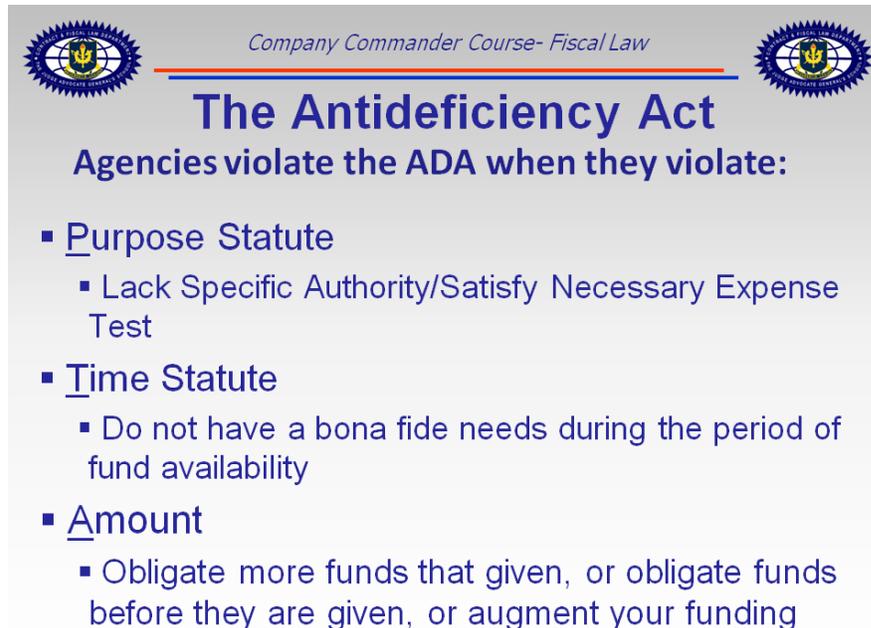
G. ENABLING LEARNING OBJECTIVE

ACTION:	The Antideficiency Act
CONDITIONS:	None.
STANDARDS:	None.

ELO G - LSA 1. Learning Step / Activity ELO G - LSA 1. Antideficiency Act

Method of Instruction: Briefing
Instr Type(I:S Ratio/Qty): 27A(/0)
Time of Instruction: 0 hrs 5 mins
Instructional Strategy: Lecture
Media Type: PowerPoint Presentation
Security Classification: This course/lesson will present information that has a Security Classification of: U - Unclassified.

Note: Show Slide 29



The slide features a grey background with two circular logos on the top left and right, each containing a globe and the text 'U.S. AIR FORCE'. In the center, the text 'Company Commander Course- Fiscal Law' is written in a blue serif font. Below this, the title 'The Antideficiency Act' is displayed in a large, bold, blue sans-serif font. Underneath the title, the subtitle 'Agencies violate the ADA when they violate:' is written in a smaller, bold, blue sans-serif font. The main content consists of three bullet points, each starting with a blue square and followed by a blue sans-serif font. The first bullet point is 'Purpose Statute', with a blue underline under the 'P'. It includes a sub-bullet point: 'Lack Specific Authority/Satisfy Necessary Expense Test'. The second bullet point is 'Time Statute', with a blue underline under the 'T'. It includes a sub-bullet point: 'Do not have a bona fide needs during the period of fund availability'. The third bullet point is 'Amount', with a blue underline under the 'A'. It includes a sub-bullet point: 'Obligate more funds than given, or obligate funds before they are given, or augment your funding'.

The Anti-Deficiency Act (ADA), is a criminal statute with criminal penalties. It is the sword to enforce the various fiscal law restrictions Congress created. The ADA prohibits a violation of the Purpose Statute, i.e., obligations that are for an improper purpose, or that use the wrong pot of money. The ADA also prohibits the violation of the Time Statute, i.e., the obligation of funds when the bona fide needs does not overlap with the period of availability. The ADA also restricts the obligation of more funds than you have, the obligation of funds before you have been given them, and the augmentation of funds, including acceptance of voluntary services. Keep in mind that even if criminal penalties are not assessed, an ADA violation is reported up through the chain of command, and, along with the names of those involved, is reported to the President, Vice President and the Speaker of the House. Speak to your legal advisor before you make a mistake.

Check on Learning: None.

Review Summary: Note: Show Slide 30



Conclusion

- Fiscal law is complex
- Keep in mind PTA
 - Purpose
 - Time
 - Amount
- If you have a good idea, talk to your legal advisor before you execute it

[Read the slide]

CHECK ON LEARNING (ELO G): None.

REVIEW SUMMARY(ELO G): None.

SECTION IV. SUMMARY

Method of Instruction:	Briefing
Instr Type(I:S Ratio/Qty):	27A (null:null/0)*
Time of Instruction:	10 mins
Instructional Strategy:	Lecture

Note: Marked as (*) is derived from the parent learning object

Check on Learning

None.

Review/ Summary

None.

SECTION V. STUDENT EVALUATION

Testing Requirements

NOTE: Describe how the student must demonstrate the accomplishment of the TLO. Refer student to the Student Evaluation Plan.

Feedback Requirements

NOTE: Feedback is essential to effective learning. Schedule and provide feedback on the evaluation and any information to help answer students questions about the test. Provide remedial training as needed.

Appendix A - Viewgraph Masters

**Fundamentals of Fiscal Law
181-CCFS-C10 / Version 2**

Sequence	Media Name	Media Type
None		

Appendix B - Test(s) and Test Solution(s)

Appendix C - Practical Exercises and Solutions

PRACTICAL EXERCISE(S)/SOLUTION(S) FOR LESSON 181-CCFS-C10 Version 2

Appendix D - Student Handouts

**Fundamentals of Fiscal Law
181-CCFS-C10 / Version 2**

Sequence	Media Name	Media Type
0	Complete Presentation	PPT