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TO : Chief, Technical Accounting Staff 24 January 1955

FROM : Staff Member

SUBJECT : TAS Project No. 52 - Documentation Required to Support Obligations Under Accounting Systems Memorandum No. 35.

1. A review has been made of the various Agency regulations pertaining to the type documents utilized to establish Agency obligations. This review was made for the purpose of determining (a) the feasibility of complete conformance with the requirements of Public Law 663 and (b) what changes will be required in the regulatory issuances to accomplish conformance if determined feasible.

2. The writer is of the opinion that current Agency regulations prescribe appropriate documentation to support recorded obligations and that documentation as prescribed will satisfy the requirements of the Accounting Systems Memorandum No. 35. However, the types of documentation used as the obligating media for certain confidential funds transactions warrant specific comments insofar as satisfying the requirements of the Accounting Systems Memorandum No. 35. The documents involved are Request for Advance (Form 33-15), Notice of Obligations Incurred (Form No. 33-94) and Summary Obligation Memorandum Reports (copies attached). A brief statement is set forth below relative to the use of these documents.

a. Request for Advance (Form 33-15)

This document is used to establish both the obligation and expenditure where confidential funds are to be advanced on the behalf of a proprietary, subsidy or operational project. When the present regulations as pertaining to obligations were being developed it was determined that the Request for Advance form would be used as the obligation document as it was not practical from an operational or security standpoint to secure any other basic obligation documents.

b. Notice of Obligation Incurred (Form 33-94)

This document was prescribed for use in Agency confidential activities where the activity is of an operational

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Classification Class.

Restricted

Approved For: TS S C

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nature and the obligation may be incurred without other formal documentation or, if documented, the documentation available would not be in a form suitable for obligation purposes.

c. Summary Obligation Memorandum Report (Exhibit B)

The current Field Allotment Control Procedure for confidential funds transactions provides for each installation designated as Class A or B to estimate obligations one month in advance and forward the estimates to Headquarters with its monthly accounting reports (Forms 33-90 and 33-100). For each installation designated as a Miscellaneous Reporting Unit an Obligation Authority Record (Form 59-171 Test) is used to establish estimated obligations in an amount equal to the obligation authority granted. The Summary Obligation Memorandum Reports submitted monthly to the Finance Division by the allottees of the DD/P Area and Office of Communications include advance estimates of obligations. Therefore, as of 30 June each year the official Agency report showing the cumulative obligations of appropriations would include for the Class A and B stations estimated obligations for the month of June and for the Miscellaneous Reporting Units estimated obligations based upon the outstanding Obligation Authority Records. However, upon receipt of the Class A and B stations June reports the respective allottees effect adjustments in the estimated obligations and report the firm June obligations on the July Summary Obligation Memorandum Report. Appropriate documentation would then be on file in the respective overseas stations to support the obligations. Likewise, Miscellaneous Reporting units are required to return as of 30 June copies of the Obligation Authority Record indicating the status of the authority and the allottees would effect adjustments in the estimated obligations on the July Summary Obligation Memorandum Report.

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