

AIR

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: Chief of Station, [redacted]

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INFO: COS, [redacted]

: Deputy Comptroller

- Administrative/Support/Finance

- Obligations Pertaining to Requisitions

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REFERENCE: (a) [redacted], dated 5 June 1957
(b) [redacted], dated 13 May 1958

1. The suggested change in procedure with respect to obligations represented by requisitions issued to [redacted] and/or [redacted] which you proposed in reference (b), has been reviewed by this Office, and it would seem that an explanation of the headquarters procedure relative to this activity might clarify certain aspects which you apparently have not taken into consideration.

2. The field allotment represents that portion of an allotment which is issued to the station to cover activities conducted in the field, with the remainder of the allotment retained at headquarters to cover the related activities carried out by headquarters.

3. In the subject case the field allotment provides for the requisitions issued by the field station, and the recording of the requisitions by the field station as obligations is a proper earmarking of funds and controlling the overall allotment. When the monthly reports (Schedule E) are received by headquarters the current month obligations are consolidated with the obligations which have been recorded at headquarters against the portion of the allotment retained at headquarters, the sum of the two representing the total obligations against the allotment. When the field station prepares the "obligation transfer notice" a reduction of obligation is recorded, and the monthly report (Schedule E), under Current Month, will reflect the decrease in obligation accordingly. Headquarters records the "obligation transfer

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notice" against the portion of the allotment retained at headquarters and when the Schedule E report (which has been adjusted for the "transfer" of obligation for payment at headquarters) is consolidated with the obligations recorded at headquarters the sum represents the total obligations against the allotment.

4. Field records will reflect an increase in the unobligated allotment due to the transfer of the obligation for payment at headquarters; however, allotments for subsequent quarters may be reduced to compensate for the obligations transferred to headquarters for liquidation. Further, when the activity is consolidated at headquarters, as stated above, the total amount of obligations is applied against the total allotment and the true amount of unobligated allotment is reflected.

5. It is recognized that the suggested change would obtain the same result as the prescribed procedure but the important difference is in the immediate earmarking of funds when the requisition is issued which is essential in allotment control. Further, if the suggested change were adopted it would mean that a separate control record over this "obligation authority" would have to be maintained by the field station in order to ensure that the authority was not exceeded, and also separate reporting would have to be made in order that the formal recording of the obligation is picked up by headquarters.

6. In view of the foregoing it is not deemed advisable to change procedures as presently prescribed, however, we appreciate receiving your comments and suggestions as to ways of improving methods and procedures.

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Deputy Comptroller

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