



OFFICE OF THE UNDER SECRETARY OF DEFENSE

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUN 23 2010

COMPTROLLER

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (ACQUISITION,
LOGISTICS, AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE
(ACQUISITION)
ASSISTANT SECRETARIES OF THE MILITARY
DEPARTMENTS (FINANCIAL MANAGEMENT AND
COMPTROLLER)
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Appointment of Certifying Officers in Overseas Contingency Operations for
Micro-purchases

Section 3325 of title 31, United States Code (U.S.C.) permits disbursing officials to disburse money only as provided by a voucher certified by an officer or employee having written authorization from the head of the agency to certify vouchers; this applies equally to micro-purchases of supplies and non-personal services as defined in the Federal Acquisition Regulation 2.101. Under 31 U.S.C. 3528, the certifying officer's role is to attest that payments are legal, proper, and correct for disbursement. Commanders and senior managers are delegated the authority to appoint, and are responsible for the appointment of, certifying officers in writing and must ensure that effective internal control procedures are in place and implemented to eliminate the opportunity to conceal errors; preclude attempts at fraud or embezzlement from going undetected; and enhance the detection of errors, fraud, or embezzlement, should they occur.

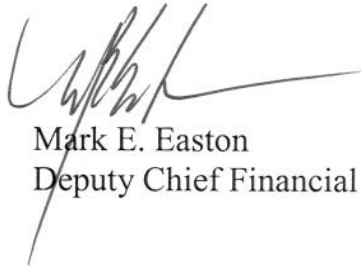
Certifying officers provide the last line of defense in preventing improper payments. They are responsible for: (1) the correctness of the facts on the voucher and supporting documentation; (2) the correctness of computations on the voucher; and (3) the legality of a proposed payment under the appropriation or fund involved. They are pecuniarily liable for the amount of any illegal, improper, or incorrect payment resulting from their inaccurate or misleading certifications, as well as for any payments prohibited by law or which do not represent legal obligations of the appropriation or fund involved.

Internal control principles generally require a four-way separation of the contracting, receiving, voucher certification, and disbursing functions. However, I recognize that such separation of duties is not always practical or possible in cases involving micro-purchases in connection with contingency operations. Accordingly, in order to balance mission accomplishment with acceptable risk, some deviation from the normal separation of functions may be necessary. In allowing such deviations, however, personnel should not be assigned duties that create potential conflicts of interest.

When an individual is appointed to perform the additional duties of a certifying officer for micro-purchases, the appointment must be in writing, and the duties, responsibilities, and consequences explained. The persons selected to perform this function must acknowledge that they have been trained to perform their duties and that they may be held pecuniarily liable for improper payments if appropriate procedures are not followed.

In executing any deviation from the normal contracting, certification, and disbursing procedures, commanders should be aware of the increased possibility of the risk of errors, theft, and fraud that may result from the merging of payment certification responsibilities with other functions. Because internal controls may be compromised as a result of such a merger, every effort to mitigate these risks should be made, such as post-payment reviews, rotation of duties, and management review of financial data and reports. When making these appointments, consult the following chapters of Volume 5, "Disbursing Policy and Procedures" of the *Department of Defense Financial Management Regulation*: Chapter 1, which provides specific guidance on duties, responsibilities, and internal management controls; Chapter 6, which provides guidance on consequences and reporting of erroneous payments; and Chapter 33, which provides additional guidance on the roles and responsibilities of the certifying officer.

My point of contact for this matter is Ms. Audrey Clark. She may be reached by phone at (703) 602-0370 or by email at audrey.clark@osd.mil.



Mark E. Easton
Deputy Chief Financial Officer