



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY**  
**FINANCIAL MANAGEMENT AND COMPTROLLER**  
109 ARMY PENTAGON  
WASHINGTON DC 20310-0109

OCT 6 2008

**MEMORANDUM FOR SEE DISTRIBUTION**

**SUBJECT: Antideficiency Act (ADA) Policy and Metrics**

**1. References:**

a. Acting Deputy Chief Financial Officer, Office of the Under Secretary of Defense, Comptroller memorandum dated September 5, 2008 (enclosed).

b. DASA (FO) memorandum dated February 7, 2008, subject: Fiscal Law Training.

2. In response to a recent General Accountability Office audit, the USD(C) has added new requirements to the processing of ADA investigations (Reference a). The focus is on the independence and training of investigating officers (IOs), training of key funds control personnel, and timeliness of ADA investigations. Effective immediately, the following procedures will be implemented:

a. When selecting an IO, the appointing official must consider the individual's experience or expertise in financial management and completion of fiscal law training, as well as his ability to perform an independent review. To ensure independence, recommend that the appointing official select the IO from an organization external to the immediate organization being investigated (e.g., outside the program office where the potential ADA violation may have occurred). The appearance of a conflict of interest or bias should be a determining factor in non-selection. It is also desirable, but not mandatory, that the IO's rank/grade be equal to, or greater than, the highest ranking individual whose actions are under review.

b. If a potential violation appears to involve a complex situation or a multitude of functional areas, then a "team approach" may be necessary. The appointing official shall ensure the IO receives adequate support, including access to additional personnel with the requisite knowledge in the functional areas involved. The appointment of a legal advisor for the investigating team may also be considered.

c. The appointing officials are required to certify the IO's independence and qualifications in the formal appointment letter. The formal appointment letter must be submitted to this office within 15 days after written confirmation of the potential ADA. Certification of the investigating officer's qualifications in the formal appointment letter and the 15-day appointment suspense eliminate the need for establishment and maintenance of centralized rosters.

3. As referenced in 1b, the Army has already implemented procedures to ensure key fund certifiers receive appropriate training. Commands are to continue to document the processes, procedures, and controls to identify key funds control personnel and ensure these individuals have received appropriations law training. Funds control personnel who have not been trained must be enrolled in a fiscal law course immediately. Refresher training is required at least every five years. (NOTE: Fiscal law training is available online through Judge Advocate General (JAG) University at <https://jag.learn.army.mil> and covers the statutory, regulatory, and policy authorities governing the commitment, obligation, and expenditure of appropriated funds in garrison and when deployed.)

4. Recommend each command make the decision on the appropriate fund certifying officer training course based on the scope, breadth, and complexity of the individual's job responsibilities. Depending on the responsibilities, Federal Appropriation Law, Certified Defense Financial Management Accreditation, the JAG Legal Center and School fiscal law in-residence course, or the web-based fiscal law training may be appropriate. We are not going to inspect or question a command's decision; however, if any fund certifier is found responsible for an ADA, the Command may be required to justify their rationale for the particular course the individual attended.

5. Commands are to document key fund certifier training and report the number of authorized fund certifiers and the number with appropriation law training during each Phase III Triannual JRP Review ending September 30. This office will subsequently submit training status to USD(C) as part of Army's annual report of evaluation of the administrative funds control process and the processing of violations of the ADA (Annual report of evaluation).

6. Commands are reminded to ensure ADA investigations are completed within established timelines. Extensions for the submission of preliminary and formal reports are only granted in cases involving exceptional and unforeseen circumstances. To ensure compliance, senior resource managers may be required to provide an ADA status update to the Principal Deputy Assistant Secretary of the Army (Financial Management and Comptroller).

7. My point of contact for this policy is Ms. Claire Nelson. She can be reached at commercial (703) 693-3383, email [claire.nelson@hqda.army.mil](mailto:claire.nelson@hqda.army.mil).

  
John J. Argodale  
Deputy Assistant Secretary of the Army  
(Financial Operations)

Enclosure

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COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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WASHINGTON, DC 20301-1100

SEP 05 2008

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL  
MANAGEMENT AND COMPTROLLER)  
ASSISTANT SECRETARY OF THE AIR FORCE  
(FINANCIAL MANAGEMENT AND COMPTROLLER)  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Antideficiency Act (ADA) Policy and Metrics

Effective immediately, Components must document processes, procedures, and controls to identify key fund control personnel including fund certifying officials, train these individuals in appropriations law and/or validate that these individuals have received appropriations law training within the last 5 years. Furthermore, Components must require these individuals to attend a refresher appropriations law course every 5 years. This training must be documented and retained within the respective organizations. A status report of the number of fund control personnel identified and the number trained within each Component must be provided in the annual ADA report of evaluation.

In addition, Components must retain, in each ADA case file, documents that show ADA investigators are qualified, trained, and free of personal, external, and organizational impairments. These documents must be provided to the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), Deputy Chief Financial Officer (DCFO) when a formal investigation is initiated. Components must also implement and document processes, procedures, and controls to oversee and monitor the maintenance and use of a roster for selecting qualified ADA investigators and establish a date when investigators must receive refresher training as prescribed in *Department of Defense Financial Management Regulation* (DoD FMR), Volume 14, Chapter 8.

The DCFO established a monthly metric that will track the status of preliminary investigations and will identify all investigations that are overdue. Therefore, Components must ensure the required preliminary investigation information listed in DoD FMR, Volume 14, Chapter 3, is provided to the DCFO and preliminary and formal investigations are completed within timeframes established in the DoD FMR, Volume 14, Chapters 3, 5, and 7.

Enclosure

Policy contained in this memorandum will be included in the next update to the DoD FMR, Volume 14. Questions regarding this policy may be directed to my point of contact, Jodie Fisher. She can be reached by telephone at (703) 602-0371 or by email at [jodie.fisher@osd.mil](mailto:jodie.fisher@osd.mil).

A handwritten signature in black ink, appearing to read "D. P. Smith". The signature is fluid and cursive, with the first name "David" and last name "Smith" clearly distinguishable.

David P. Smith  
Acting Deputy Chief Financial Officer