

Lesson Introduction

References made to publications are current as of April 2015.

The requirements for financial management are based in law. The Constitution, public laws, and several authorizations and appropriation acts require not only that financial management be performed, but also specify how it should be performed. Consider these mandates:

- The Constitution forbids the disbursement of funds from the Treasury unless funds are specifically appropriated by law.
- The Anti-Deficiency Act prohibits the illegal use of funds and has punitive provisions for violations.
- The Chief Financial Officers Act focuses the financial management efforts of all federal departments and agencies on how well taxpayer dollars are spent.

Finance Officers, Disbursing Officers, agents, and other financial personnel entrusted with public funds are accountable for those funds at all times. They may be held personally and pecuniarily (financially) liable for any financial losses.

Lesson Objectives

Terminal Learning Objective: Provide an overview of Certifying Officer Legislation (COL) and the roles of the Departmental Accountable Officials (DAOs), Certifying Officers (COs), and Disbursing Officers. At the end of this lesson you will be able to:

- Identify the legislation, regulation, and references that pertain to Certifying Officer Legislation.
- Define what certification is with regard to certifying vouchers for payment.
- Explain the types of certification.
- Identify the key personnel involved and their responsibilities in the certification process.

Lesson Objective 1



Hi Hector. My name is Chris. I was recently assigned an additional role as a Certifying Officer. I understand you're the supervisor who trains new Certifying Officers. I'm looking for some information on my new position. For example, why was the Certifying Officer position added to the voucher certification process?

Nice to meet you, Chris. As the designated Training Officer within our DoD component, I'll give you a look at some of what you'll be expected to know in your new role. We'll start off by identifying the legislation, regulation, and references that pertain to Certifying Officer Legislation. Let's see how much you may already know about what a Certifying Officer does.



Warm Up Activity

Which of the points below apply to the review of Purchase Card payment transactions/vouchers? Drag the correct answers with your mouse to the box.

IOUs are approved

Prices will be negotiated at a later date

Check Answer

The correct answers are provided.

Special certifications, if required are furnished

No duplicate payments

Goods received comply with the agreement

Payment is permitted by law

Prompt payment requirements followed

Certifying Officer Legislation History

I hope you found the correct answers on the Warm Up Activity. If not, we'll cover the material in the topics ahead.

Prior to a 1996 legislative change, only Disbursing Officers within Department of Defense were pecuniarily (financially) liable for fiscal irregularities. Certifying Officers did exist but were just administrative appointees.

Certification of payments is governed by the [National Defense Authorization Act of 1996, Public Law 104-106, Section 193](#). This legislation established accountability for an individual's actions in the form of pecuniary liability.

The law requires the appointment of an individual who is independent and organizationally separate from Disbursing Officers to certify vouchers.



Certifying Officer Legislation

The Certifying Officer Legislation requires that an individual, other than the Disbursing Officer, be assigned responsibility for certifying vouchers for payment.

That vouchers are correct and proper for payment from the appropriation(s) or other funds cited on them or on supporting vouchers, and that the proposed payments are legal, proper, and correct. Reference DoD FMR Volume 5, Chapter 33 and Volume 10, Chapter 23, Annex 1, "Purchase Card Certification Statement".

Certifying Officers are pecuniarily liable for illegal, improper or incorrect payments resulting from improper certification.

Let's look at an example of how one Certifying Officer was found pecuniarily liable and had to reimburse the Government for improper payments made with government purchase cards.



Pecuniary Liability Example

Mr. X was a certifying officer for government purchase card payments for the Defense Automatic Addressing Systems Center (DAASC) at Wright-Patterson Air Force Base in Ohio. An audit of the DAASC purchase card program found four instances of improper payments made with government purchase cards using appropriated funds.

These payments were for two lunches for DAASC employees and defense contractors at a local restaurant, disposable coffee cups, and a late fee paid to Park University. For all four improper payments, the audit recommended that DAASC hold Mr. X, as the Certifying Officer, responsible to reimburse the government.



Pecuniary Liability Example, Cont.

The Government Accounting Office report concluded that Mr. X had a responsibility to scrutinize and question potential improper payments before certifying a billing statement for payment to the bank servicing the purchase card and that he did not exercise good faith when certifying the four transactions for payment.

The GAO declined to grant relief and Mr. X was billed for \$403.



Pre-Payment Reviews

Pre-payment reviews may occur any time before payment and are subject to management's judgment of the most appropriate stage in the voucher-preparation process for their conduct. These reviews ensure that vouchers are substantiated by documentation for lawful and proper payment. Under manual processing systems, they include verification of accuracy of computation. These requirements include ensuring that:

- A. Payments are allowed by law and regulation (for purchase card only, is also in compliance with GSA Master Contract and applicable Task Order).
- B. Payments are authorized and approved for payment.
- C. Requests for payment are supported by basic documents.
- D. Payee identification is correct.
- E. Manual calculations are correct and data are input correctly to automated computation systems.
- F. Proper accounting classifications are charged (i.e., supported by a proper obligating document).
- G. Funds are available to support disbursements.
- H. Any required special certificates or receipts are attached to the disbursement documents.
- I. Duplicate payments are prevented through proper manual or automated edits and checks.

A detailed look at Certifying Officer Legislation can be found in [DoD FMR 7000.14R Volume 5 Chapter 33, 330602.B](#).

Knowledge Review 1

In making a certification, Certifying Officers are not responsible for:

- Certifying vouchers for payment.
- The existence, accuracy and legality of information on a voucher.
- Illegal, improper or incorrect payments.
- Obtaining the signature of a Disbursing Officer before validating the certification.

Check Answer

Certifying officers are not responsible for obtaining the signature of a Disbursing Officer before validating the certification



Certifying Officer Legislation Reference Websites

Click the hyperlinks below to access additional information for Certifying Officer Legislation.

Public Laws/US Code, Code of Federal Regulations

uscode.house.gov/

www.gpoaccess.gov

www.usa.gov

Financial Management Regulations

comptroller.defense.gov/fmr

www.dfas.mil

Directives

www.dtic.mil/whs/directives/

The following regulations, laws, and directives pertain to COL:

- Sections 3321, 3325, 3527, 3528, and 3529 of Title 31, Money and Finance, of the United States Code
- Title 10 Armed Forces, Section 2784
- Public Law 104-106. Section 913
- DoD Directives 7000.14R, DoD Financial Management Regulation (DoD FMR, Volume5, 33, Accountable Officials and Certifying Officers), and 7000.14R, DoD Accountable Officials and Certifying Officers

Lesson Objective 2



Thanks Hector. I feel pretty good about understanding how and why the role of Certifying Officer came about. What's next?

Now, we'll define what certification is with regard to certifying vouchers for payment.

A Certifying Officer's certification attests to the legality, propriety, and correctness of a voucher for payment as defined in [31 U.S.C. Section 3528\(a\)](#).



Knowledge Review 2

Which best describes the Certifying Officer?

- Always under the direct supervision of the Disbursing Officer.
- Always a Defense Finance and Accounting Service employee.
- Responsible for the appointment of Payment Review Officials.
- Responsible for the legality, propriety, and correctness of the certified voucher.

Check Answer

Responsible for the correctness, legality, and propriety of the certified voucher best describes the Certifying Officer.



Lesson Objective 3



Easy to remember. The Certifying Officer's certification attests to the legality, propriety and correctness of a voucher for payment. What's our next topic?

Chris, in this third section of the lesson, we'll explain the types of certification.

The types of certification that the Certifying Officer needs to know are:

- Voucher Certification
- Voucher Awaiting Payment (VAP) Certification
- Successive Certification
- Manual Certifications
- Electronic Certifications



Voucher Certification

Certification of a single original voucher attests to the propriety and legality of the information contained on the voucher and is authorization for the Disbursing Officer to make payment as identified on the voucher. Certifying Officers are accountable for the information contained on the voucher.

Certifying Officers certify the bank invoice, which may contain multiple cardholder accounts.



Successive Certification

Certifying Officers are accountable for all information contained on vouchers they certify for payment.

If any information on the voucher is changed after the initial certification, the voucher must be re-certified by a properly appointed Certifying Officer. This recertification is called a successive certification.

The Certifying Officer performing the successive certification becomes accountable for illegal, incorrect, or improper payments caused only by the changed information she/he certified.



Manual Certifications

Certification may be manual or electronic. Manual certification can be done directly on the voucher or summary voucher. The certification includes:

- Certifying Officer's signature
- Typed or printed name
- Title
- Date
- Dollar amount

Once a Certifying Officer manually certifies a voucher, it can be delivered to the disbursing office. Let's take a look at the electronic certification method.



Electronic Certifications

The Certifying Officer may certify electronically if the following criteria are met:

- Adequate safeguards exist to prevent unauthorized use.
- Access capability (such as Common Access Card-CAC) remains under the sole control of the Certifying Officer.
- Electronic certification is invalidated by the system if the data it is linked to is changed or altered in any fashion.
- Electronic certification is unique to the Certifying Officer.
- Electronic certification is verifiable by the Disbursing Officer.

Refer to the Department of Defense Charge Card Guidebook for guidance on approved electronic systems.



Knowledge Review 3

Manual certifications are not allowed.

True

False

Check Answer

This statement is false



Lesson Objective 4



Now that I know the types of certification, can you fill me in on all the players and their roles in their interactions with the Certifying Officer?

Sure Chris. In fact, we'll wrap up this lesson by identifying the key personnel involved and their responsibilities in the certification process.



Key Personnel and Levels of Authority

Centralized disbursing, automated systems, increased transaction volume, and more complex business processes have reduced the individual's ability to personally ensure the accuracy, legality, and propriety of each payment.

Voucher certification must rely on information and expertise provided by several key players. Their efforts play significant roles in the certifier's ability to properly certify. Some are in managerial roles and others are in direct support roles.

Let's find out who these key players are and what their roles and contributions are to the certification process.



Key Personnel Levels of Authority

The key personnel involved in the certification process from highest level to lowest level are:

1. Under Secretary of Defense
2. Heads of DoD Components
3. Disbursing Officers
4. Supervisors
5. Certifying Officers
6. Departmental Accountable Officials

We'll look at the responsibilities of each in the certification process.



Under Secretary of Defense (Comptroller)

Overall responsibility for the integrity of the payment voucher certification process rests with the Under Secretary of Defense (Comptroller).

This individual also issues appropriate guidance for implementation, administration, and management of voucher programs.



Heads of DoD Components

The Heads of the DoD Components implement the specific requirements of DoD FMR 7000.14R. These managers are responsible for day-to-day business operations, including guidance, oversight, design, modification, and maintenance of their respective components' business processes and systems.

The Heads of DoD Components, or their designees, appoint and oversee Certifying Officers and Departmental Accountable Officials.

The Heads of DoD Components may delegate the appointment authority as appropriate for the needs of the component. For example, the Head of Component for the Defense Finance and Accounting Service, is the Director, Defense Finance and Accounting Service (DFAS). The Director, DFAS specifically delegates the authority to appoint Certifying Officers and review officials to subordinate directors along with authority to redelegate to certain levels.

The Service Secretaries may delegate their authority to subordinate organizations either through general or specific delegations.

Heads of DoD Components, Cont.

The Heads of DoD Components also:

- Provide all training for new and existing Certifying Officers and Departmental Accountable Officials.
- Conduct periodic review and inspections of the actions taken by Certifying Officers and Departmental Accountable Officials under their control.
- Convene or order an investigation when an illegal, improper or incorrect payment is discovered.



Disbursing Officers

Disbursing Officers are responsible for disbursing money according to properly certified vouchers. They examine the voucher to determine proper form, certification, and approval by an authorized Certifying Officer.

They also ensure that the voucher was computed correctly for the facts certified. Disbursing Officers return vouchers that are not in the proper form, incomplete, or not properly certified to the Certifying Officer.

There are specific appointment rules that require a separation of duties for Disbursing Officers. For example, a Disbursing Officer may not normally be appointed as a Certifying Officer nor may they appoint a Certifying Officer.

Disbursing Officers are pecuniarily liable for erroneous payments made without or contrary to a certified voucher.

Supervisors

Supervisors are responsible for ensuring that both initial and refresher training is provided to new and existing Certifying Officers and Departmental Accountable Officials. Supervisors must also periodically review or inspect the actions taken by Certifying Officers and Departmental Accountable Officials under their control to ensure policies and procedures compliance.

It is critical for Supervisors to provide effective supervision of Certifying Officers to minimize the number of erroneous payments.

Certifying Officers- Appointment and Termination

Certifying Officers are responsible for checking the accuracy of facts stated on a voucher and in supporting documents and records, and may rely on data received from reliable automated systems that have been certified as compliant with the Federal Financial Management Improvement Act (FFMIA). They determine the legality of a proposed payment using the cited appropriation or fund and are responsible for the computations on a certified voucher. Certifying Officers are pecuniarily liable for illegal, improper or incorrect payments resulting from improper certification.

The Heads of DoD Components appoint Certifying Officers with a [DD Form 577](#), Appointment/Termination Record - Authorized Signature or approved electronic equivalent.

Certifying Officer must be terminated using the DD Form 577 showing the date and reason for the termination of duties as a CO. The original DD Form 577 must be provided to the servicing Disbursing Officer. A copy should be maintained in the Certifying Officer's personnel file.

The retention period for the appointment and termination DD Form 577 is 6 years, 3 months after termination of appointment as a Certifying Officer.

Departmental Accountable Officials

Departmental Accountable Officials are responsible for providing to a Certifying Officer information, data, or services that are directly relied upon by the Certifying Officer in the certification of vouchers for payment. Two examples of individuals who could be appointed as Departmental Accountable Officials are:

- Receiving Officials
- Contracting Officers
- Card Holders

DAOs are not subject to the presumption of negligence, but may be held pecuniarily liable under 10 U.S.C. 2773a(c) for illegal, improper or incorrect payments resulting from information, data, or services they negligently provide to certifying officers; and upon which the certifying officers relied to certify payment vouchers.

Knowledge Review 4

DoD Component Heads or their designees are required by DoD FMR 7000.14R to do what?

- Appoint Certifying Officers, Departmental Accountable Officials, and Review Officials
- Grant relief from liability to Departmental Accountable Officials based on lack of experience, supervision, or training
- Issue appropriate guidance to each of the Services/Agencies for proper implementation of the directive
- None of the above

Check Answer

DoD Component Heads are required to Appoint Certifying Officers, Departmental Accountable Officials, and Review Officials



Lesson Summary

In this lesson, you learned:

- Disbursing Officers and Certifying Officers play highly visible roles. They are pecuniarily liable for their actions when an improper payment voucher certification results in an erroneous payment.
- The legislation and regulations that lead to the appointment of an independent Certifying Officer for payment vouchers.
- Certification is the act of attesting to the legality, propriety, and correctness of a voucher for payment.
- The distinguishing features of manual and electronic payment certification.
- The roles of individuals in the certification process and their responsibilities.

Lesson Completion

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