

Lesson Introduction

This lesson identifies the responsibilities of the Certifying Officer and the requirements for a valid payment. The lesson explains the concepts of reliable information and the audit trail relevant to the payment certification.

Lesson Objectives

Terminal Learning Objective: Identify the specific responsibilities of the Certifying Officer. At the end of this lesson you will be able to:

- Recognize accountability of the Certifying Officer.
- Recognize the requirements for a valid payment of a voucher.
- Explain the concepts of reliable information and the audit trail relevant to payment certification.

Lesson Objective 1



So far we've looked at the topics of Certifying Officer legislation and the roles of the those involved in the Certifying Officer process. So what's next, Hector?

Since this lesson is about the responsibilities of the Certifying Officer, we'll start off with a look at accountability of the Certifying Officer.

See how much you may already know about this topic by doing the Warm Up Activity on the next slide.



Warm Up Activity

Which of the following is the Certifying Officer NOT accountable for?

- The amount of any illegal, improper, or incorrect payment resulting from an inaccurate or misleading certification.
- Any payment prohibited by law.
- Any payment that does not represent a legal obligation under the appropriation or fund involved.
- Design of the payment system.

Check Answer



The Certifying Officer is not accountable for the design of the payment system.

Accountability

The Certifying Officer is accountable for:

- The amount of any illegal, improper, or incorrect payment resulting from an inaccurate or misleading certification.
- Any payment prohibited by law.
- Any payment that does not represent a legal obligation under the appropriation or fund involved.



Fact Checking

The Certifying Officer is responsible for the correctness of the facts stated in the voucher (bank invoice) and for ensuring the retention of supporting documentation and records in accordance with DoD policies. The Certifying Officer is also responsible for the accuracy of computations on the voucher and the legality of the proposed payment under the appropriation or fund involved.

Certifying Officer responsibilities are specified in 31 USC 3528(a), [10 USC 2784](#) and the [DoD FMR, Volume 5, Chapter 33](#).



Knowledge Review 1

Valid Payments for purchase cards consists of three components. Which of the following is NOT one of those components?

- Certification that the payment is illegal
- The correctness of the facts stated in the voucher (bank invoice)
- The existence of supporting documentation and records
- The accuracy of computations on the voucher

Check Answer

Certification that the payment is illegal is not a component of Valid Payments



Lesson Objective 2



Quite a lot to be accountable for. The Certifying Officer needs to have a pretty extensive background in the field. So what are the requirements for a valid payment of a voucher?

Well, let's discuss that, Chris!



Payment Supporting Documents

Let's look at the supporting documents needed for valid payments.

Valid payments generally have three parts:

1. Valid requirement (bonafide need)
2. Bank invoice with all transactions reconciled to a Purchase Log and approved by the Cardholder
3. Reallocation of accounting classification (if necessary). See [DoD FMR, Volume 10, Chapter 23 \(230306.1\)](#).



Payment Supporting Documents, Cont.

At a minimum, entries to the Purchase Log will include:

- Date on which the item/service was ordered.
- Name of the requestor and/or requesting organization.
- Detailed description of the item/service or general commodity code is required (if item is \$75.00 or less, the description may be at summary level; e.g., office supplies).
- Merchant's name.
- Number of items purchased.
- Unit price.
- Total dollar value of the transaction.
- Name of the recipient/acceptor of the item/service, and date received.
- Any additional data required by component-specific instructions.



Knowledge Review 2

What are the three parts of a valid payment?

- Payment voucher, supporting documentation, determinations.
- Date service was ordered, name of requestor, description of the item.
- Bank invoice, valid requirement, reallocation (if necessary).
- Merchants name, number of items purchased, unit price.

Check Answer

Bank invoice, valid requirement, and reallocation (if necessary) are the three parts of a valid payment



Lesson Objective 3



Now I know the requirements for a valid payment of a voucher. What else do I need to know about Certifying Officer responsibilities, Hector?

You are going to need to know about the concepts of reliable information and the audit trail relevant to payment certification. So that's what we'll discuss next.



Audit Trail

The payment voucher, all supporting documentation, and any determinations made by or for the Certifying Officer (e.g. advance decisions) need to be accessible and retrievable. This collection of documents forms an audit trail, which may form the basis for relief from liability for the Certifying Officer.



Centralization of Disbursing Processes

The centralization of disbursing processes and increased use of automated systems, coupled with the volume and complexity of business processes, reduces the ability of Department of Defense officials to exercise direct personal control over all aspects of each business transaction.

Because of these operation changes, it is extremely difficult for any single Department of Defense official to personally ensure the accuracy, propriety, and legality of every payment. A Certifying Officer must depend on other personnel (such as the cardholder) involved in the payment authorization process to provide accurate and timely documents so that they can provide quality service.



Automated System Payments

In an automated system, evidence that the payments are accurate and legal is dependent on the system and not individual transactions. To ensure accuracy and legality, Certifying Officers need assurance that the automated system was designed properly and is functioning correctly.

One way to ensure system integrity is through annual reviews, with interim checks when there have been major system changes. Reviews allow Heads of Components (or designee) to certify that the system can be relied on to produce accurate and legal payments. [Office of Management and Budget \(OMB\) Circulars A-123](#) and [A-127](#), Title 7 of the General Accounting Office (GAO) Policy and Procedures Manual provide guidance for automated system use.



Knowledge Review 3

True or false? It is extremely difficult for any single DoD official to personally ensure the accuracy, propriety, and legality of every payment.

True

False

Check Answer

This statement is true.



Lesson Summary

In this lesson we covered the Certifying Officer's responsibilities. Since liability is automatic, it is necessary to understand what an appointment to this position means. Knowing the various components of the payment process and how they interact is essential.

We discussed the requirements to ensure a valid payment. Reliability of the data provided by others is necessary. You also learned that a Certifying Officer does not have the capacity to personally oversee the breadth of work involved in a business process.



Lesson Completion

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