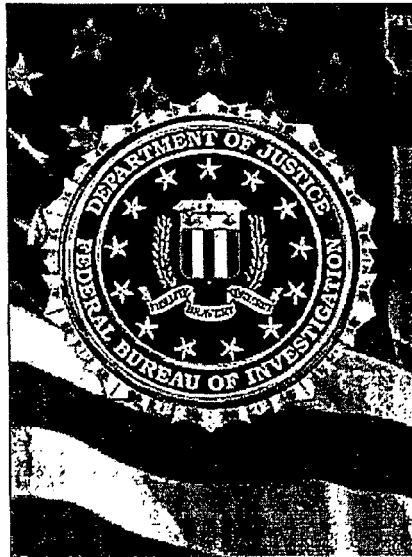


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**Confidential Funding Policy Implementation Guide
(CFPG)**



Federal Bureau of Investigation (FBI)

0248PG .

October 18, 2009

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GENERAL INFORMATION: Questions or comments pertaining to this policy implementation guide can be directed to:

FBIHQ/Finance Division, Division 12

Accounting Section, Commercial Payments and Confidential Services Unit

Division Point of Contact: Unit Chief,

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(NOTE: This document supersedes: the Confidential Funding Guides (CFG) dated 2002, 2007)

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1. (U//FOUO) Scope

(U//FOUO) Purpose: The Confidential Funding Policy Implementation Guide (CFPG) provides guidance and establishes procedures for the use of confidential funds within the Federal Bureau of Investigation (FBI) consistent with Department of Justice (DOJ) Order 2110.21 D (Expenditures of a Confidential Character); the Attorney General's Guidelines for FBI Undercover Operations (AGG-UCO); The Attorney General's Guidelines for Domestic FBI Operations (AGG-Dom) dated September 29, 2008, and as implemented in the Domestic Investigations and Operations Guide (DIOG), dated December 16, 2008, or as amended, and other applicable authorities. In particular, the CFPG provides a standard reference for the use of direct advanced funds, which are subject to special recordkeeping requirements. This policy implementation guide (PG) is designed to be amended, as needed, to respond to changes in law, policy, or other requirements.

(U//FOUO) Background: The use of confidential funds is necessary when there is a need to conceal the FBI as the source of a payment from vendors, third parties, or the public, in order to avoid compromising covert activities in support of domestic and international investigations and operations, including assessments and predicated investigations (hereafter in this PG referred to as a case) [redacted]

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[redacted] and publicly advertised reward offers and payments.

(U//FOUO) While confidential expenditures are unique in that they are covert, the statutes, regulations, and policies governing the expenditure of funds still generally apply. Employees using confidential funds must remember the fiscal law principles that control government financial transactions. These fiscal law principles, however, create certain barriers to conducting covert investigations. Congress therefore created certain statutory exceptions from standard fiscal law principles so that the FBI can effectively conduct covert investigations. For example, with the proper approvals, confidential funds may be used to [redacted] appropriated funds may be deposited in a bank, and the [redacted]

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[redacted] rather than immediately being deposited to the U.S. Treasury. While these statutory exceptions provide additional authority to make confidential expenditures, they also come with significant restrictions. The policies and procedures established in this CFPG were created to ensure FBI employees using confidential funds comply with all applicable laws. Failure to comply with the CFPG could expose FBI employees to administrative or even criminal penalties.

(U//FOUO) This PG was prepared by the Commercial Payments and Confidential Services Unit (CPCSU), Accounting Section (AS), Finance Division (FD) to enhance the knowledge and awareness of policies and procedures for confidential accounting transactions; ensure all such transactions are uniform and accurate; and provide consistent internal controls and an audit trail.

(U//FOUO) The FBI is prohibited from any type of financial involvement, including confidential fund transactions, with its employees, relatives or friends of employees, or a business or organization owned or substantially owned or controlled by one or more employees. The intent of this restriction is to avoid actual, or perceived, conflicts of interest that could be considered or perceived as favoritism or preferential treatment toward employees or their friends and relatives. Any request for an exception to this restriction must be specifically approved in advance by FBI

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Headquarters (FBIHQ). All such requests must be submitted in writing to the AS, FD, for coordination.

(U//FOUO) **Intended Audience:** The CFPG was developed to enhance the FBI's collective knowledge and awareness of confidential funds and is intended to be used by all FBI personnel. The CFPG can and should be used as a reference for confidential funding matters.

(U//FOUO) Any questions concerning this PG should be brought to the attention of the Unit Chief, CPCSU, FD.

(U) **Link to Policy:** Confidential Funding Guide Corporate Policy Directive, 0248D

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2. (U//FOUO) Roles and Functional Responsibilities

(U//FOUO) The operational authority at FBIHQ and within each field office for confidential funding follows.

2.1. (U//FOUO) Operational Authority at FBIHQ

(U//FOUO) The individuals, units and committees which have the confidential funding operational authority at FBIHQ are listed below, with the specific authority for each detailed.

2.1.1. (U//FOUO) Deputy Director (DD)

(U//FOUO) The DD has the operational authority to approve the following requests:

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) Confidential case fund payments and/or [REDACTED] of any amount, and
- (U//FOUO) Requests to the Attorney General (AG) for publicly advertised reward offers and payments of [REDACTED] or more.

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2.1.2. (U//FOUO) Executive Assistant Director (EAD) for the respective operational division

(U//FOUO) The EAD for each operational division has the operational authority to approve the following requests:

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) Confidential case funds payments and/or [REDACTED] up to [REDACTED]
- (U//FOUO) Publicly advertised reward offers and payments up to [REDACTED] and
- (U//FOUO) [REDACTED]

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2.1.3. (U//FOUO) Assistant Director (AD) for the respective operational division

(U//FOUO) The AD for each operational division has the operational authority to approve the following requests:

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) Confidential case funds payments and/or [REDACTED] up to [REDACTED] and
- (U//FOUO) Publicly advertised reward offers and payments up to [REDACTED]

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(U//FOUO) The AD for each operational division also has the operational authority to approve the following requests for UCOs:

- (U//FOUO) A [REDACTED]
[REDACTED]

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- (U//FOUO) [redacted] and [redacted]
- (U//FOUO) [redacted]
[redacted]

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2.1.4. (U//FOUO) Deputy Assistant Director (DAD) for the respective operational division

(U//FOUO) The DAD for each operational division has the operational authority to approve the following requests:

- (U//FOUO) [redacted]
- (U//FOUO) [redacted]
- (U//FOUO) Confidential case funds payments and/or [redacted] up to [redacted]
- (U//FOUO) Publicly advertised reward offers and payments up to [redacted] and [redacted]
- (U//FOUO) [redacted]
[redacted]

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2.1.5. (U//FOUO) Section Chief for the respective operational division

(U//FOUO) The section chief for each operational division has the operational authority to approve the following requests:

- (U//FOUO) [redacted]
- (U//FOUO) [redacted]
- (U//FOUO) Confidential case funds payments and/or [redacted] up to [redacted]
- (U//FOUO) Publicly advertised reward offers and payments up to [redacted]
- (U//FOUO) Direct advance monthly expense vouchers for FBIHQ cases only, and
- (U//FOUO) Electronic communications (EC) for [redacted]
[redacted]

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2.1.6. (U//FOUO) Human Intelligence Policy and Special Program Unit (HIPSPU), Directorate of Intelligence (DI)

(U//FOUO) The HIPSPU, DI has the operational authority to coordinate and approve the following requests:

- (U//FOUO) [redacted]
[redacted]
- (U//FOUO) [redacted]
- (U//FOUO) [redacted]
- (U//FOUO) [redacted]

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2.1.7. (U//FOUO) Criminal Undercover Operations Review Committee (CUORC)

(U//FOUO) CUORC has the operational authority to review proposed criminal, domestic terrorism, and certain [REDACTED] JCOs, make any recommended changes or amendments, and to recommend approval or disapproval to the designated AD.

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2.1.8. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]
[REDACTED]
[REDACTED]

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2.1.9. (U//FOUO) Section Chief, AS, FD

(U//FOUO) The Section Chief of the AS, FD has the authority to approve requests to use emergency funds for non-emergency confidential expenditures.

2.1.10. (U//FOUO) Unit Chief, CPCSU, AS, FD

(U//FOUO) The CPCSU Unit Chief in the AS, FD has the authority to approve requests to:

- (U//FOUO) Establish an emergency fund,
- (U//FOUO) Use the Third Party/Draft (TPD) system for [REDACTED]

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]

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2.1.11. (U//FOUO) HQ Contracting Officer

(U//FOUO) The HQ contracting officer has the authority to:

- (U//FOUO) [REDACTED]
- (U//FOUO) Review and approve all requests for a lease of space, and
- (U//FOUO) Approve purchases of confidential goods and/or services, including non-recoverable property, which exceed the field contracting officer's warrant level.

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2.2. (U//FOUO) Operational authority in the field offices

(U//FOUO) The individuals having confidential funding operational authority at the field offices are listed below, with the specific authority for each detailed.

2.2.1. (U//FOUO) Field Division Head (Assistant Director in Charge [ADIC] or Special Agent in Charge [SAC])

(U//FOUO) At each field office, the field division head (the ADIC or SAC) has the operational authority to approve requests which are within available funding limits, with an annual limit of [REDACTED] for cumulative [REDACTED] for cumulative payments to CHSs. The following requests are included:

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- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]

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- (U//FOUO) Confidential case fund payments and/or [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) Publicly advertised reward offers and payments up to [REDACTED] per single transaction,
- (U//FOUO) Confidential spending up to the micro-purchase threshold amount without procurement authority (this authority does not include contracts [e.g., rental of vehicles, rental of furniture, cellular phone contracts] or purchase of nonexpendable property and equipment),
 - (U//FOUO) The field division head may re-delegate confidential spending authority up to [REDACTED] to other members of the field office management (written documentation must be maintained in the appropriate field office file),
- (U//FOUO) Use of confidential funds to process overt miscellaneous expenditures (with "FBI" on the invoice), up to the micro-purchase threshold amount, as long as the [REDACTED] activity is not compromised,
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED] UCOs of up to [REDACTED] and a [REDACTED] for a total of [REDACTED] and [REDACTED]
- (U//FOUO) [REDACTED] UCOs up to [REDACTED] for cumulative proposed operational expenses).

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(U//FOUO) The field division head may delegate the responsibility to authorize the establishment, extension, [REDACTED] to a designated Assistant Special Agent in Charge (ASAC) (written documentation must be maintained in the appropriate field office file).

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(U//FOUO) The field division head also has the primary responsibility for all confidential advanced funds, and ensures adequate financial management and internal controls exist in the field office to:

- (U//FOUO) Maintain and operate confidential cases within authorized budgets,
- (U//FOUO) Manage emergency and confidential funds,
- (U//FOUO) [REDACTED]
- (U//FOUO) Ensure requests for confidential payments are reviewed and approved,
- (U//FOUO) Comply with financial regulations and procurement policies,
- (U//FOUO) Provide timely and accurate recording and reporting of financial activity,
- (U//FOUO) Ensure quarterly and semi-annual audits are conducted on a timely basis by an auditor who is not associated with the operation,

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- (U//FOUO) Ensure audits are performed in a timely manner, and
- (U//FOUO) Ensure quarterly audits findings are promptly corrected.

2.2.4. (U//FOUO) Accountable Officer/Case Agent

(U//FOUO) The accountable officer/case agent has the authority to:

- (U//FOUO) Maintain custody or care of confidential funds,
- (U//FOUO) Maintain confidential advance funds on an imprest basis,
- (U//FOUO) Prepare ECs requesting confidential funds,
- (U//FOUO) Initiate an FD-794 Form to request an advance of confidential funds,
- (U//FOUO) Manage and control confidential advance funds,
- (U//FOUO) Record nonexpendable property in the case accountable property register, and
- (U//FOUO) Verify the accuracy of amounts reported on the Voucher Reconciliation Form (FD-735 or FD735a), the Advance Blue Slip Form (FD-37), and financial statements.

(U//FOUO) The accountable officer/case agent ensures adequate financial management and internal controls exist in the field office to:

- (U//FOUO) Maintain and operate confidential cases within authorized budgets,
- (U//FOUO) [REDACTED]
- (U//FOUO) Comply with financial regulations and procurement policies.

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(U//FOUO) The accountable officer/case agent ensures timely and accurate recording and reporting of financial activity, including:

- (U//FOUO) Expense receipts/invoices for confidential advance payments recorded properly on the Itemization of Expenditure Form (FD-736), and
- (U//FOUO) Pertinent documentation provided to the property custodian when property that is inventoried has been purchased with confidential funds.

(U//FOUO) The accountable officer/case agent is financially liable for the loss or improper use of confidential funds and may be required to repay the funds, even without proof of negligence.

2.2.5. (U//FOUO) Case Accountant or Financial Analyst (FA)

(U//FOUO) The case accountant or FA has the authority to:

- (U//FOUO) Prepare and sign the Voucher Reconciliation Form (FD-735 or FD735a),
- (U//FOUO) Prepare the Advance Blue Slip Form (FD-37) or FD-794 Form,
- (U//FOUO) Verify and sign the monthly expense vouchers and supporting documentation, checking the accuracy of the amounts reported, and
- (U//FOUO) Prepare financial statements in a timely manner.

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- (U//FOUO) Ensure TPD personnel are excluded from receiving [REDACTED] and from handling [REDACTED]
- (U//FOUO) Ensure financial managers (FM) or financial personnel who process financial transactions in the Financial Management System (FMS) are excluded from maintaining the books and records for direct advance cases.

b7E

2.2.2. (U//FOUO) Assistant Special Agent in Charge (ASAC)

(U//FOUO) The ASAC in each field office has the authority to approve the following requests:

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) Confidential advances or expenses,
- (U//FOUO) [REDACTED] and
- (U//FOUO) [REDACTED]

b7E

(U//FOUO) The ASAC also ensures adequate financial management and internal controls exist in the field office to:

- (U//FOUO) Maintain and operate confidential cases within authorized budgets,
- (U//FOUO) [REDACTED]
- (U//FOUO) Comply with financial regulations and procurement policies,
- (U//FOUO) Provide timely and accurate recording and reporting of financial activity, and
- (U//FOUO) Ensure quarterly and semi-annual audits are conducted in a timely manner by an auditor who is not associated with the operation.

b7E

2.2.3. (U//FOUO) Supervisory Special Agent (SSA)

(U//FOUO) The SSA in each field office has the authority to approve and/or ensure the review and approval of:

- (U//FOUO) Requests for confidential [REDACTED]
- (U//FOUO) Monthly confidential [REDACTED]
- (U//FOUO) Requests for confidential [REDACTED]

b7E

(U//FOUO) The SSA also ensures adequate financial management and internal controls exist in the field office to:

- (U//FOUO) Maintain and operate confidential cases within authorized budgets,
- (U//FOUO) [REDACTED]
- (U//FOUO) Comply with financial regulations and procurement policies,

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(U//FOUO) The case accountant or FA has the primary responsibility to ensure:

- (U//FOUO) Confidential advances are maintained on an imprest basis,
- (U//FOUO) Monthly direct advance vouchers are prepared in a timely manner,
- (U//FOUO) Accurate recording of receipts/invoices for confidential advance payments on the Itemization of Expenditure Form (FD-736),
- (U//FOUO) Nonexpendable property is recorded in the case accountable property register,
- (U//FOUO) Pertinent documentation is provided to the property custodian when property that is inventoried has been purchased using confidential funds, and
- (U//FOUO) Quarterly audits are conducted on a timely basis by an accountant not associated with the operation.

(U//FOUO) The case accountant or FA cannot be an authorized signer of the checking account(s), recipient of debit cards, or have control over cash.

2.2.6. (U//FOUO) Field Contracting Officer

(U//FOUO) The field contracting officer has the procurement authority to:

- (U//FOUO) Authorize confidential requirements for goods and/or services to include non-recoverable property up to the warrant level,
- (U//FOUO) Issue "T" numbers, up to the warrant level, for confidential purchases requiring procurement authority when using direct advanced funds from FBIHQ, and
- (U//FOUO) Approve the FD-794 Form for confidential TPD advances or purchases requiring procurement authority, up to the warrant level.

2.2.7. (U//FOUO) Property Custodian

(U//FOUO) The property custodian maintains accurate records of property that is inventoried that is purchased with confidential funds.

2.2.8. (U//FOUO) Financial Manager (FM)

(U//FOUO) The FM has the authority to:

- (U//FOUO) Monitor confidential budgets, and
- (U//FOUO) Coordinate requests for confidential budget enhancements.

2.2.9. (U//FOUO) Draft Office Supervisor or FM

(U//FOUO) The draft office supervisor or FM has the authority to:

- (U//FOUO) Review the payment package (FD-794 Form and supporting documentation) for confidential direct expenses without an advance [redacted]
- (U//FOUO) Review the TPD transactions involving all returns of unused confidential funds and/or [redacted]
- (U//FOUO) Mail money orders or cashier's checks payable to the FBI to CPCSU, FD, and .

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- (U//FOUO) Ensure FMs or financial personnel who process financial transactions in FMS are excluded from maintaining the books and records for direct advance cases.

(U//FOUO) A draft office supervisor or FM cannot initiate or be designated to receive [redacted] or be involved in handling and [redacted] under any circumstances.

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2.2.10. (U//FOUO) Auditor or Designated Employee

(U//FOUO) A field office auditor or a designated employee conducts required audits of direct advance funds from FBIHQ and TPD transactions.

2.2.11. (U//FOUO) Draft Approval Officer (DAO) or Alternate

(U//FOUO) The DAO or his alternate has the authority to:

- (U//FOUO) Classify each confidential expenditure on the FD-794 Form [redacted] (under the CPCSU, FD), [redacted]
- (U//FOUO) Review and approve FD-794 Forms and supporting documentation for completeness, compliance, accuracy, and propriety prior to a draft cashier's payment, and
- (U//FOUO) Maintain all TPD financial recordkeeping.

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(U//FOUO) The DAO or his alternate cannot initiate or be designated to receive [redacted]

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[redacted] under any circumstances and cannot maintain the books and records for direct advance cases.

2.2.12. (U//FOUO) Draft Cashier or Alternate

(U//FOUO) The draft cashier or his alternate has the responsibility or authority to:

- (U//FOUO) Review the FD-794 Form and receipts/certification for completeness, compliance, accuracy, and propriety,
- (U//FOUO) Forward the completed original FD-794 Form transaction package to the applicable case file for [redacted] expenses or to the Confidential File Room (CFR) for [redacted] and [redacted]
- (U//FOUO) Maintain all TPD financial recordkeeping.

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(U//FOUO) The draft cashier or his alternate is administratively accountable to the certifying officer for the accuracy and appropriateness of each draft printed. He cannot initiate or be designated to receive [redacted] be involved in handling and [redacted] under any circumstances and cannot maintain the books and records for direct advance cases.

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3. (U//FOUO) Policies

(U//FOUO) The FBI CFPG establishes the mandatory policies and procedures to properly use, record, and report confidential expenditures.

3.1. (U//FOUO) Criteria for Determining Confidential Expenditures

(U//FOUO) As a general principle, appropriated funds may only be spent if the following three criteria are met:

- (U) the purpose of the expenditure must be authorized;
- (U) the obligation must occur within the time limits applicable to the appropriation; and
- (U) the obligation must be reasonable as to the type and amount, based on value received and overall circumstances present at the time of expenditure.

(U//FOUO) In addition to these general requirements, confidential funds may only be spent if the following additional criteria are met:

- (U//FOUO) the expenditure of funds must be in direct support a "case" (defined as an assessment [Types 1-6] or predicated investigation), (for more information refer to DIOG, Sections 5-9); and
- (U//FOUO) the expenditure of funds is directly related to an operation or activity which requires concealment of the FBI's identity as the source of the payment from vendors, third parties, or the public to avoid compromising covert activity.

(U//FOUO) An exception to the concealment of the FBI's identity criteria exists when overt miscellaneous expenditures, such as payment for translations and duplication of court records, or the purchase of blank videos, audio tapes, or films, are incurred in direct support of a case. The field division head has authority, up to the micro-purchase threshold amount, to approve the ☐ ☐ to process overt miscellaneous expenditures (with "FBI" on the invoice) as long as the covert activity is not compromised. This authority must be documented with an approved EC and attached to the FD-794 Form.

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(U//FOUO) The field division head will ensure that each disbursement is supported by the appropriate written documentation, which clearly indicates the confidential expenditure conforms to the criteria listed above and all other pertinent rules, restrictions, prohibitions, and exemptions as described in this PG. This documentation is considered an integral part of the case financial records.

(U//FOUO) Requests for ☐ do not require an approved EC, as long as an FD-794 Form is completed, including a statement for services rendered and/or a detailed list of expenses in the description field as well as an explanation for the request in the justification field.

b7E

(U//FOUO) All expenditures that do not conform to the criteria listed above must be processed using discretionary funds. These expenditures are not to be funded from confidential funds or reported in the case books and records of the covert case. Expediency or availability of funds is not sufficient justification for the use of confidential funds. Field office personnel may contact CPCSU, FD, when in doubt about using confidential funds.

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(U//FOUO) Note: It is prohibited to purchase nonexpendable property and equipment with confidential funds, except as specified in Section 3.30.2.

3.2. (U//FOUO) Administrative Case File

(U//FOUO) [REDACTED]

[REDACTED] Utilization of this [REDACTED] will make annual renewal unnecessary. Since individual case authority must be tracked to ensure the field division head's case authority is not exceeded, a spending authority for this [REDACTED] is unnecessary.

(U//FOUO) For detailed information on covert telecommunication policy [REDACTED]

3.3. (U//FOUO) Case Operational Authority

(U//FOUO) The field division head has operational authority of up to [REDACTED] cumulatively, per fiscal year, for confidential expenditures incurred in connection with any single case. This authority is automatically renewed for each case at the beginning of a fiscal year, unless otherwise advised by the respective operational division section chief or a higher authority at FBIHQ. Payments to [REDACTED] and not from [REDACTED]

(U//FOUO) If expenditures for an individual case are projected to exceed the field division head's operational authority, the SSA or case agent must submit an EC approved by a field division head to the appropriate substantive desk at FBIHQ requesting additional operational authority. The ASAC or a higher level official, in collaboration with the FM, should ensure that confidential funds are available to satisfy each request for additional operational authority. If the balance of available budgeted funds is insufficient to support planned expenditures, the EC should include a request to [REDACTED]. The EC should include the following information:

- (U//FOUO) A request for operational authority over [REDACTED]
- (U//FOUO) The amount of authority needed,
- (U//FOUO) The deadline by which the authority is needed,
- (U//FOUO) The total amount of confidential funds expended to date in the current fiscal year (FY), regardless of the source of funds,
- (U//FOUO) Details to support the request,
- (U//FOUO) Whether the funds will be acquired from the TPD system or if a direct advance of funds is necessary from FBIHQ,
- (U//FOUO) A statement which reads: "Sufficient funding remains in the (name) field office (category) confidential budget to cover anticipated expenditures for the current fiscal year represented by this request," and
- (U//FOUO) If sufficient funding is not available and reallocation is being proposed, include the following statement: "Sufficient funding remains in the (name) field office

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confidential budget category (from which funds are being reallocated) to cover anticipated expenditures for the remainder of the fiscal year.”

(U//FOUO) The date additional authority is granted should be noted on each advance or expense request in excess of [redacted]. Authorizations to expend additional funds in support of individual cases and [redacted] not increase field office budget allocations.

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(U//FOUO) Case operational authority differs from procurement authority, which is the authority to obligate funds on behalf of the government. For example, a substantive desk at FBIHQ can exercise operational authority to [redacted] [redacted] however, procurement authority must be obtained prior to making the purchase.

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(U//FOUO) The following transactions must be referred to the Procurement Section (PS), FD, for specific approval:

- (U//FOUO) Purchase of real property (buildings or land),
- (U//FOUO) Lease of real property, and
- (U//FOUO) Execution of contracts obligating funds of the FBI. This type of contract must be executed by a contracting officer at FBIHQ when exceeding the field contracting officer warrant authority level.

(U//FOUO) Refer questions concerning the proper level of authority required and the operational use of confidential funds to the appropriate operational division at FBIHQ for determination.

3.4. (U//FOUO) Budget Reallocations

(U//FOUO) In the event that budget allocation is insufficient to meet anticipated confidential expenditures, the field division head may request reallocation of confidential funds among the [redacted]

- (U//FOUO) [redacted]

(U//FOUO)

(U//FOUO)

(U//FOUO)

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(U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

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(U//FOUO) When the budget allocation is insufficient to meet anticipated expenditures, the FM should submit a request approved by a field division head to reallocate funds to the respective substantive desk at FBIHQ and a copy to the respective operational division's budget unit at FBIHQ. Each request should include a statement at the end of the communication which notes that adequate funds to satisfy normal investigative requirements will remain in the budget category in which the funds were removed.

3.5. (U//FOUO) Case Budget Enhancements

(U//FOUO) Operational divisions at FBIHQ retain a modest reserve to fund significant cases and [REDACTED] when field office confidential budgets are exhausted. In [REDACTED]

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(U//FOUO) The SSA or case agent, in collaboration with the FM, should submit an EC, approved by a field division head, to the respective substantive desk at FBIHQ and a copy to the respective operational division's budget unit at FBIHQ requesting a budget enhancement. The request should include a case identification number and complete justification for the budget increase, which might include:

- (U//FOUO) The amount of funding requested,
- (U//FOUO) The confidential budget category,
- (U//FOUO) An explanation of the [REDACTED]

▪ (U//FOUO) [REDACTED]

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▪ (U//FOUO) [REDACTED]

- (U//FOUO) A detailed statement of the status of the applicable [REDACTED] program field office confidential budget showing the amount of funding remaining,
- (U//FOUO) A description of actions taken to minimize confidential expenditures in ongoing investigations and to ensure that they are proportionate with the contributions those investigations are making toward accomplishing the mission of the FBI. The field division head should consider minimizing or terminating costly investigative methods supporting less productive investigations in order to maintain adequate funding for priority matters. and

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- (U//FOUO) A statement detailing the reason further reductions in current spending cannot be made instead of a confidential budget increase [REDACTED]

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3.6. (U//FOUO) Case Expense [REDACTED]

(U//FOUO) Case expenses are confidential expenses paid in direct support of an investigation, [REDACTED] To determine whether case expenses are reasonable or proper, the criteria listed on Section 3.1. of this PG must be met. The employee responsible for making the payment must document compliance with the criteria.

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(U//FOUO) Service of a covert nature procured for a variety of investigative or operational activities (e.g., [REDACTED]) should be classified as a case expense or, if incurred on a continuing basis, consolidated and classified as an administrative matter and paid with confidential funds.

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3.7. (U//FOUO) Purchase of [REDACTED]

(U//FOUO) The field division head has confidential case fund authority to approve the purchase of [REDACTED] At the discretion of the field division head, this authority may be delegated to an ASAC, as long as the delegation of authority is documented.

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(U//FOUO) Prior substantive desk authority is required for any [REDACTED]

[REDACTED] After exceeding the [REDACTED] the SSA or case agent must submit an approved EC to the respective substantive desk within [REDACTED] business days. The EC should document FBIHQ authority for the initial [REDACTED]

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3.8. (U//FOUO) Undercover Operations (UCO)

(U//FOUO) Occasionally an investigation changes from a case to a [REDACTED] UCO, which requires new operational authority and a change in budget category. Cases of [REDACTED] UCOS funded with direct advanced funds from FBIHQ can retain remaining funds when changing budget categories and requesting direct advance funds from FBIHQ.

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(U//FOUO) The total cash on hand remaining from the direct advance must be indicated on the new budget request. Upon approval of the UCO, CPCSU, FD, will wire transfer up to the net amount (the new operational authority minus cash on hand). For example, if [REDACTED] in FBIHQ advanced case funds remains at the time the case changes to a UCO requiring [REDACTED] authority, the UCO authority will be [REDACTED] and approved direct advance funds will be the net amount of [REDACTED]

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(U//FOUO) Direct advance vouchers are to be sent to CPCSU, FD, by the 10th of the month following the calendar month in which expenditures were paid, except in certain cases where extensions have been granted by CPCSU, FD.

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3.8.1. (U//FOUO) [] UCO

(U//FOUO) The field division head has operational program authority to approve nonsensitive [] UCOs under the circumstances set forth in the AGG-UCO and [] of the National Foreign Intelligence Program Manual (NFIPM). [] The [] UCOs are initiated and, within limitations, extended under field division head authority.

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(U//FOUO) The field division head may delegate the responsibility to authorize the establishment, extension, or renewal of a [] UCO to a designated ASAC. The delegation of this responsibility by the field division head must be in writing and maintained in the appropriate field office file. The field division head must approve all UCOs requiring authorization from FBIHQ. The field division head [] UCO operational authority and time limitation can be exceeded only under FBIHQ authority.

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(U//FOUO) An [] is required when a proposal to initiate a [] UCO is submitted [] the UCO, and prior to expending confidential funds.

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3.8.1.1. (U//FOUO) [] UCO Operational Authority

(U//FOUO) The field division head can authorize nonsensitive [] UCOs for [] [] or operational expenditures for [] The cumulative proposed budget can be up to [] (of which a maximum of [] can be for operational expenses and [] This [] limit is in addition to any funds spent during the [] previous existence as a [] investigation. The field division head's case authority is rescinded when written authorization is obtained from FBIHQ to expend a specified amount of funds for a specific UCO.

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(U//FOUO) [] UCO funding is subject to the limits of the field office confidential case fund. [] budgets through the TPD system. Therefore, operational authority should not be exercised without the proper availability of confidential case funds.

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(U//FOUO) An Application for Undercover Operations Form (FD-997) must be submitted with the [] UCO proposal and, when the field office confidential budget is not adequate to support a [] UCO, to the respective substantive desk at FBIHQ. Requests for budget enhancements require the field office to track the approved operational authority and total expenditures for the duration of the [] UCO.

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(U//FOUO) For each [] UCO, one individual, hereafter referred to as the case accountant, must be designated on the FD-997 Form to be responsible for all funds for the [] UCO and for ensuring appropriate accounting procedures will be used. The case accountant can be any qualified employee, defined as an FA, a special agent accountant (SAA), or other specially trained employee, excluding TPD personnel, a draft supervisor, or an FM.

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(U//FOUO) The TPD office will establish one vendor file using the name of the case agent for each [] UCO. All advances and expenses should be applied to this vendor. Expenses associated with an approved [] UCO authority are identified as [] on the FD-794 Form. The

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respective AD at FBIHQ approves all proposed [] UCO budgets exceeding [] and/or extensions beyond one year.

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(U//FOUO) Budget enhancements will be reviewed on a case-by-case basis and should be submitted only when no other confidential funding alternative is available within the field office. Each approved budget enhancement in excess of the field division head's operational authority must be added to the total cumulative spending authority and, therefore, must have the appropriate level of approval.

(U//FOUO) For detailed information on [] UCOs, refer to the Field Guide for Undercover and Sensitive Operations (FGUSO).

b7E

3.8.2. (U//FOUO) [] UCO

(U//FOUO) [] UCO and [] authority are granted by the appropriate FBIHQ official upon recommendation by the []. An FD-997 Form is required for all [] UCOs and for all [] proposals in [] matters. The FD-997 Form must include all budget items anticipated to be used during the [] UCO, including "other budget items." When applicable, "other budget items" should include [].

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If the [] UCO does not have [] is insufficient to cover the expenses listed under the "other budget items," the expenses should be reported on an FD-794 Form with the [] UCO as the case benefited, processed through the TPD system, and charged to the appropriate field office confidential budget.

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(U//FOUO) In order for an operation to qualify as [] the field office must ensure that the [] the FBI's involvement in the operation and that the FBI is not funding or providing other assistance.

(U//FOUO) Acceptance of the budget by the respective operational division AD does not suggest automatic approval to spend all funds as described in the proposal. Procurement authority must be obtained prior to expending [] UCO funds for certain purposes. For more information on procurement requirements, refer to Section 3.30. of this PG.

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(U//FOUO) For each [] UCO and [] a case accountant must be designated on the FD-997 Form to be responsible for all [] UCO and [] funds and to ensure appropriate accounting procedures will be used. The case accountant can be any qualified employee, defined as an FA, SAA, or other specially trained employee, excluding TPD personnel, a draft supervisor, or an FM.

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(U//FOUO) The field division head must certify that the case accountant has been appropriately trained in the procedures for UCO accounting and is familiar with the applicable rules, regulations, and policies governing the financial management of UCOs.

(U//FOUO) The [] UCO and [] period begins on the date approved by the AD (or Director, DD or designated EAD, if appropriate) and terminates [] from that date. In order to extend a [] UCO and [] beyond [] the SSA or case agent must submit a new approved FD-997 Form.

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(U//FOUO) A [] is required when a proposal to initiate a [] UCO or [] is submitted, whenever there is a significant expansion in scope or change of focus in the UCO, and prior to expending [] UCO funds.

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(U//FOUO) For detailed information on [redacted] UCO, refer to FGUSO and [redacted] of the NFIPM. [redacted]

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3.8.2.1. (U//FOUO) Group I UCO Operational Authority

(U//FOUO) Upon approval of the [redacted] UCO and/or [redacted] CPCSU, FD, will wire transfer the advance of funds to the field office. Expenditures must be accurately recorded in the books and records to track the period in case of a congressional audit for qualified operations and to distinguish expenditures incurred during the [redacted] phase of an approved [redacted] CO from other budget categories.

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(U//FOUO) The [redacted] UCO and [redacted] expenses must be reported on a monthly Direct Advance Voucher Form (FD-37) with the respective [redacted] UCO [redacted]. The total amount of the [redacted] UCO expenditures must be added for budget performance purposes. All approved [redacted] UCOs must have quarterly financial statements prepared and quarterly audits performed.

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(U//FOUO) If actual expenditures are expected to exceed the amount budgeted in any established and approved line item by [redacted] of the aggregated authority, whichever is less, an EC approved by a field division head or ASAC requesting authorization to reallocate funds must be sent to the substantive desk supervisor at FBIHQ and a copy forwarded to the applicable undercover unit. If individual line items are budgeted for less than [redacted] of the total authority, whichever is less, a field division head can approve the reallocation of funds. The approved EC should be filed in the case financial subfile. Upon approval by the field division head, increased expenditures should be funded by transferring excess funds from other budgeted items.

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(U//FOUO) UCO or [redacted] budget enhancements must be submitted to the substantive desk supervisor and applicable undercover unit using an FD-997 Form. The need for a budget enhancement should be considered when at least [redacted] of the [redacted] UCO or [redacted] authorized funds have been expended.

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(U//FOUO) For detailed information on [redacted] UCO, refer to FGUSO and [redacted] of the NFIPM. [redacted]

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3.8.3. (U//FOUO) Transition between Funding Sources

(U//FOUO) A case or [redacted] UCO can transition from a confidential TPD advance to direct advance funding from FBIHQ and back to a confidential TPD advance. Direct advance funding from FBIHQ originates at the time authority for a [redacted] UCO is granted. The field division head's authority to use confidential TPD funds ends upon receipt of a direct advance, with the exception of the following [redacted]

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[redacted] UCO. These expenses can be processed using confidential TPD funds by submitting an FD-794 Form and clearly indicating the [redacted] UCO as the case benefited.

(U//FOUO) TPD advanced funds must be liquidated within [redacted] from the receipt of direct advance funding from FBIHQ. The remaining TPD advance must be converted to a money order or cashier's check payable to the FBI to liquidate the advance. For additional information, refer to the Draft System User Guide (DSUG).

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(U//FOUO) At the conclusion of the [] UCO operational authority, any remaining direct advance funds must be converted to a money order or cashier's check payable to the FBI and submitted to CPCSUS, FD, with the final direct advance voucher.

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(U//FOUO) To return to confidential TPD funding after liquidating a direct advance, additional case authority must be obtained from the field division head clearly stating that confidential TPD funding can be acquired. The field division head's authority and a copy of the final direct advance voucher reflecting a zero balance must be presented to the DAO.

(U//FOUO) When returning to TPD funding within the same fiscal year, the previous case authority level will remain intact. For example, if a case prior to becoming a [] UCO expended [] of the [] case authority, [] will remain as case authority until the end of the fiscal year [].

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3.8.4. (U//FOUO) [] UCO and [] UCO Close Down

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(U//FOUO) The field division head receives operational authority for 45 days to process close-down expenses after the authority to operate a [] UCO or [] UCO terminates or the [] activity ends, whichever occurs first.

(U//FOUO) The case accountant or case agent must submit an approved EC to the substantive desk at FBIHQ and to CPCSUS, FD, listing anticipated close-down expenses and whether or not a budget enhancement is needed to pay for these expenses. These expenses should include the cost of terminating leases as well as the cost of lost deposits from early lease termination.

(U//FOUO) The field division head will be able to authorize payment for expenses incurred during the authorized UCO time period. To be eligible for payment from [] UCO or [] UCO funds, each bill or invoice must clearly show a date or period covered that falls between the authorized dates of the [] UCO or [] UCO. The only exception is [].

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(U//FOUO) Other than [], no other new expenses can be incurred or charged against UCO funds and/or []. All other bills received in connection with the investigation must be charged to the field office's confidential case fund budget and not to [] UCO or [] UCO funds.

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3.9. (U//FOUO) Special Operations Authority

(U//FOUO) The authority to operate [] are as follows:

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(U//FOUO) [] FBIHQ, grants authority to operate the [] provides the funding necessary to support [] as a direct advance to the field office through CPCSUS, FD. An approved [] receives a budget allocation [] for the fiscal year. Expenses associated with [] authority are identified as [] on a monthly direct advance voucher.

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- (U//FOUO) [] are required to expend funds in compliance with approved budget line items. Any deviations greater than [] whichever is less, will require a written approval from the [] to reallocate funds among the approved budget items.

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- (U//FOUO) All [redacted] procurement authority requires prior approval from the [redacted] program manager [redacted]

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(U//FOUO) AITOPS: [redacted] grants authority to operate [redacted] provides the funding necessary to support [redacted] as a direct advance to the field office through CPCSUS, FD. An approved [redacted] receives a budget allocation [redacted] for the fiscal year. Expenses associated with [redacted] authority are identified as [redacted] on a monthly direct advance voucher.

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(U//FOUO) For detailed information on [redacted] refer to [redacted]

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(U//FOUO) [redacted] The [redacted] and as the program manager, provides the funding necessary to support [redacted] as a direct advance to the field office through CPCSUS, FD. Approved [redacted] receive a budget allocation [redacted] for the fiscal year. Expenses associated with [redacted] authority are identified as [redacted] on a monthly direct advance voucher. Expenses charged to this category include: [redacted]

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(U//FOUO) For detailed information on [redacted] refer to the NFIPM [redacted]

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(U//FOUO) [redacted] provides the funding necessary to support [redacted] as a direct advance to the field office through CPCSUS, FD. Approved [redacted] receive a budget allocation [redacted] for the fiscal year. Expenses associated with [redacted] authority are identified as [redacted] on the monthly direct advance voucher.

b7E

(U//FOUO) [redacted] provides the funding necessary to support an [redacted] as a direct advance to the field office through CPCSUS, FD. An approved [redacted] receives a [redacted] for the fiscal year. Expenses associated with [redacted] authority are identified as [redacted] respectively on the monthly direct advance voucher.

b7E

(U//FOUO) Annual budget proposals for the special operations listed above must be prepared based on a fiscal year and approved by the respective substantive desk at FBIHQ. Funding requests for special operations must conform to budget allocation notification requirements. Budget categories include expenses such as [redacted]

b7E

(U//FOUO) These budgets are combined and funded as a whole, with special operations funds disbursed by CPCSUS, FD, to individual operations through [redacted] unless otherwise specified. All other direct operational costs incurred should be charged to the [redacted] or to the appropriate discretionary field office budget category. Monthly direct advance vouchers are required for each special operation.

b7E

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(U//FOUO) Specific special operation funding, such as [redacted] cannot be commingled with each other or any other funds in the field office. Expenses charged against these funds are approved only for a specific operation.

b7E

(U//FOUO) The expenditures must be tracked and reported on the budget performance report by expense category to ensure compliance with the approved budget. For each approved special operation, quarterly financial statements must be prepared and quarterly audits conducted.

3.10. (U//FOUO) [redacted] Authority

b7E

(U//FOUO) CD, FBIHQ, approves requests for [redacted]. Each [redacted] operates with an annual fiscal year budget. Funding requests for [redacted] must conform to budget allocation notification requirements.

(U//FOUO) Each [redacted] is required to submit an annual budget, on a fiscal year basis, to the respective program manager at FBIHQ. These budgets are combined and funded as a whole with funds disbursed to individual operations through periodic advances of funds by CPCSU, FD.

b7E

(U//FOUO) Approved [redacted] receive a budget allocation from [redacted] funding [redacted] for the fiscal year. The [redacted] expenses are reported on a monthly direct advance voucher as [redacted]. Expenses charged to this category include [redacted].

b7E

(U//FOUO) The [redacted] expenditures must be tracked and reported on the budget performance report by expense category to ensure compliance with the approved budget. For each approved [redacted] quarterly financial statements must be prepared and a quarterly audit must be conducted.

b7E

(U//FOUO) For detailed information on [redacted] refer to the NFIPM. [redacted]

b7E

3.11. (U//FOUO) [redacted]

(U//FOUO) Specific operational [redacted] receive financial support from [redacted]

[redacted] Funding for activities undertaken to support the [redacted] is provided by the FBI and [redacted] upon approval of an annual budget for each case. The purpose and amount of a [redacted]

b7E

[redacted] The budget is [redacted] on a fiscal year basis, [redacted] funding must be approved by the substantive desk at FBIHQ.

(U//FOUO) Upon approval, CPCSU, FD, will disburse [redacted] funds to individual operations through a periodic advance of funds. Each approved [redacted] receives a budget allocation [redacted] for the fiscal year. The [redacted] expenses are reported on a monthly direct advance voucher as [redacted]. The Reimbursable Program in the AS, FD, [redacted]

b7E

(U//FOUO) [redacted] operations receiving [redacted] funding can use the full range of accounts listed on the [redacted]

[redacted] All expenditures and supporting accounting data must comply with FBI rules and regulations. [redacted] budgets should not be amended without the approval of [redacted] funds should be expended in accordance with an appropriate federal and FBI rules and regulations. Each [redacted] approved operation's quarterly financial

b7E

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statements must be prepared and a quarterly audit conducted. Financial statements and audits must be available for review by [REDACTED]

b7E

3.12. (U//FOUO) [REDACTED]

3.12.1. (U//FOUO) [REDACTED]

(U//FOUO) The [REDACTED] FBIHQ, provides program management for [REDACTED]

b7E

(U//FOUO) CID, FBIHQ, approves and provides funding for [REDACTED]. Each [REDACTED] has an annual fiscal year budget. Funding requests to [REDACTED] must conform to the budget allocation notification requirements covered in this PG.

b7E

(U//FOUO) [REDACTED] require annual budget submission on a fiscal year basis to the respective program managers at FBIHQ. These [REDACTED] receive a periodic advance of funds by CPCSUS, FD. Each approved [REDACTED]

(U//FOUO) [REDACTED] for the fiscal year. The [REDACTED] expenses are reported on a monthly direct advance voucher as [REDACTED]

b7E

(U//FOUO) The [REDACTED] must be tracked and reported on the budget performance report by expense category to ensure compliance with the approved budget. For each approved [REDACTED] quarterly financial statements must be prepared and quarterly audits must be conducted.

b7E

3.12.2. (U//FOUO) [REDACTED] Accounts Receivable

(U//FOUO) Upon request, [REDACTED] will issue payments to vendors [REDACTED]

[REDACTED] Prior to making payments, [REDACTED]

b7E

(U//FOUO) [REDACTED] offices must ensure the accounts receivable system is handled by a qualified employee, preferably an FA. The accounts receivable must be established with the following information:

- (U//FOUO) Vendor: A third party provider of goods or services,
- (U//FOUO) Vendor Due Date: The date vendor requires payment before charging a late fee or finance charge,
- (U//FOUO) Payment Date: The date [REDACTED] issues a payment to the vendor,
- (U//FOUO) Customer: An FBI field office for which [REDACTED] incurs and pays [REDACTED]
- (U//FOUO) Reimbursement: A customer payment to [REDACTED]
- (U//FOUO) Invoice Date: The date [REDACTED] bills a customer, and
- (U//FOUO) Due Date: The date [REDACTED] requires reimbursement.

b7E

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(U//FOUO) A set of books and records must be established for the accounts receivable system. The books and records must be maintained and documented in accordance with standard accounting principles to ensure compliance with the confidential funding policy.

(U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

b7E

(U//FOUO) The field office must [REDACTED]

b7E

(U//FOUO) For information on [REDACTED] refer to the [REDACTED]

b7E

3.13. (U//FOUO) [REDACTED]

(U//FOUO) The field division head has operational authority to approve [REDACTED] services and expenses up to [REDACTED] per fiscal year [REDACTED]

b7E

[REDACTED] Services and expenses associated with [REDACTED]

- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

(U//FOUO) Requests for [REDACTED] payments for services and expenses do not require an approved EC if the FD-794 Form includes a statement for services rendered and/or a detailed list of expenses in the description field and an explanation for the request in the justification field.

b7E

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(U//FOUO) For detailed information on [REDACTED]

b7E

3.13.1. (U//FOUO) Assets Forfeiture Fund (AFF)

(U//FOUO) DOJ's AFF serves as the repository for assets seized from criminal activities. These assets provide a source of revenue for financing law enforcement programs. The AG is authorized to make allocations, on a reimbursable basis, from the AFF to the FBI as described below.

(U//FOUO) AFF [REDACTED] Related

(U//FOUO) The AG is authorized to expend funds from the AFF for payment of awards for information or assistance directly related to violations of the criminal drug laws of the United States, commonly called the [REDACTED]

b7E

(U//FOUO) The AFF [REDACTED] can be used to pay regular service and expense payments, lump-sum payments, and relocation payments. Field offices with sufficient available funds may use the AFF for all [REDACTED] payments up to [REDACTED] HIPSPU, DI, must approve lump-sum payments and relocation payments exceeding [REDACTED]

b7E

3.13.2. (U//FOUO) Forfeiture Award Payments

(U//FOUO) The AG is authorized to expend funds from the AFF for the payment of awards for information or assistance leading to a civil or criminal forfeiture commonly called the [REDACTED] provision.

b7E

(U//FOUO) All forfeiture award payment requests must be submitted in an EC to HIPSPU, DI. When requesting wire transfers, the appropriate banking information must be included. For payments exceeding [REDACTED] wire transfers are required.

b7E

(U//FOUO) For detailed information on [REDACTED] refer to the [REDACTED]

b7E

3.14. (U//FOUO) Publicly Advertised Reward Payments

(U//FOUO) The field division head has delegated authority to offer a publicly advertised reward, up to the prescribed limits, for any significant case to an individual, "for information leading to the arrest and conviction of the subject of the investigation," or in a kidnapping matter, "information leading to the recovery of a kidnapping victim and the identification, arrest, and conviction of the person responsible."

(U//FOUO) Funds for the payment of publicly advertised rewards will be used from the fiscal year in which payment is approved, not from the years in which the reward is offered (unless the reward is offered and approved for payment in the same fiscal year). At the time the publicly advertised reward is paid, the field office confidential budget will be charged for the amount of the reward payment.

(U//FOUO) For detailed information on publicly advertised reward payments, refer to [REDACTED]

b7E

3.15. (U//FOUO) Sources of Appropriated Funds

(U//FOUO) Appropriated funds are provided to field offices for confidential expenditures from three sources: confidential TPD advances, emergency funds, and direct advances from FBIHQ.

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(U//FOUO) [REDACTED]

b7E

(U//FOUO) Confidential TPD advances and direct advances from FBIHQ are approved on a case-by-case basis and must not be commingled. In addition, funds advanced for a particular case must not be combined, deposited, or loaned to another case. It is prohibited to deposit direct advanced funds into a personal bank account under any circumstances or deposit unused direct advanced funds into a personal bank account for the purpose of returning funds to FBIHQ by personal check.

3.15.1. (U//FOUO) Confidential Funds

(U//FOUO) The field division head should be aware of the amount of funds available to support the field office confidential expenditures. This amount cannot be exceeded unless the field office requests a supplement or a reallocation of funds.

(U//FOUO) In addition to appropriated funds provided for confidential expenditures in a case, funds may be provided by third parties and [REDACTED]. The expenditure of these funds reduces the balance of operational authority granted for the case, but does not reduce the available balance of appropriated funds. [REDACTED]

b7E

3.15.2. (U//FOUO) Confidential TPD Advances

(U//FOUO) Confidential TPD advances must be requested on an FD-794 Form and are issued to a special agent (SA) or professional staff to support confidential payments. Non-revolving confidential TPD advances must be fully liquidated within [REDACTED] days from the date issued. When circumstances warrant, a [REDACTED] day written waiver may be approved by the field division head (this may not be delegated) to keep the advance outstanding, allowing a [REDACTED] day liquidation period. Each waiver must be granted on a case-by-case basis.

b7E

(U//FOUO) A confidential TPD advance may be established as a TPD [REDACTED] day revolving advance and it must be reconciled on a monthly basis. If expenses have not been applied against the revolving advance, an FD-794 Form and an Advance Reconciliation Form (FD-735a) must be submitted to the TPD office to reflect any cash on hand.

b7E

(U//FOUO) TPD office personnel, including alternates, draft office supervisors, and FMs, cannot initiate or be designated to receive [REDACTED] or be involved in [REDACTED] under any circumstances.

b7E

(U//FOUO) Each field office, in conjunction with FBIHQ, must have a series of verification and cross-checking functions established among several employees who have different organizational responsibilities for direct advanced funds. For example, the case agent should have check writing or signature authority for the payment of expenses; ensure that expenditures are reasonable, necessary, and in support of the UCO scenario; and facilitate voucher preparation. The case accountant should prepare the monthly voucher and maintain the books and records.

(U//FOUO) For information on how to properly complete an FD-794 Form or an FD-735a, refer to the DSUG.

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3.15.3. (U//FOUO) Emergency Fund

(U//FOUO) If it is not feasible or possible to issue a draft from the TPD system, an emergency fund can be established to pay for confidential expenditures that are required for immediate investigative needs. The emergency fund is handled as a separate and secure fund. An EC, approved by a field division head, must be submitted to CPCSU, FD, requesting authorization to establish an emergency fund. The EC must include the following information:

- (U//FOUO) Actual instances during the prior year in which: (a) cash on hand was required for emergency use; (b) funds were required but were unavailable from the pertinent case fund, so funds were authorized from other sources; and (c) investigative opportunities were lost because of the lack of available funds on hand,
- (U//FOUO) A summary of the number and nature of ongoing investigations that may require the use of large amounts of cash on short notice in the near future,
- (U//FOUO) A brief description of investigative priorities of the field office for which the use of an emergency fund will be required,
- (U//FOUO) The amount requested,
- (U//FOUO) The name of the designated accountable officer, and
- (U//FOUO) Instructions on where the funds are to be wired.

(U//FOUO) The Unit Chief, CPCSU, FD, will evaluate the request to ensure the above criteria are met and to determine the appropriate amount for the emergency fund. CPCSU, FD, will wire transfer the authorized amount to the attention of the accountable officer.

(U//FOUO) Only the designated accountable officer should have access to the emergency fund. The accountable officer must submit a Reimbursement Voucher Form (FD-659) and a copy of the emergency fund cash ledger to CPCSU, FD, to provide the status of emergency funds on a quarterly basis. CPCSU, FD, annually reviews the emergency fund to ensure the authorized amount is still necessary to support the emergency fund in the field office.

(U//FOUO) The accountable officer is personally liable for the emergency fund, but the field division head holds the ultimate responsibility for all emergency funds. The emergency fund is audited at least once each month by an unannounced cash count.

Prior written approval must be obtained from CPCSU, FD, to:

- (U//FOUO) Retain a portion of the emergency funds in a bank account,
- (U//FOUO) Delegate the emergency fund authority from the field division head to the ASAC level, or
- (U//FOUO) Designate an SSA or Supervisory Senior Resident Agent (SSRA) as an accountable officer to maintain an emergency fund when exigent circumstances exist or logistics dictate.

(U//FOUO) Use of the emergency fund for any purpose other than for emergency confidential expenditures without the prior approval of the Section Chief, AS, FD, is strictly prohibited.

(U//FOUO) For procedures on the use of emergency funds, refer to the DSUG.

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3.15.4. (U//FOUO) Direct Advance Funds

(U//FOUO) CPCSUS, FD, issues all direct advances, with appropriate authorization from the respective operational divisions or field division heads. In addition, CPCSUS, FD, records each advance and all related confidential voucher expenses in the FMS.

(U//FOUO) Direct advance funds can be requested from FBIHQ when a TPD advance amount exceeds [redacted] requiring the issuance of more than [redacted]. The advance must be liquidated, as indicated in the DSUG. b7E

(U//FOUO) Direct advance funds are issued for special [redacted]

[redacted] such as [redacted] b7E

(U//FOUO) Field offices are required to maintain accounting books and records (e.g., a cash disbursement journal, a general journal, a year-to-date trial balance) for each direct advance from FBIHQ for [redacted] b7E

(U//FOUO) Direct advance funds cannot be transferred to another case or used for any purpose other than the purpose specified in the request. TPD funding must not be used while in receipt of direct advance funding [redacted] of this PG. Documented field division head authority must be obtained to revert to TPD funding after the direct advance funds are liquidated or returned to FBIHQ. b7E

(U//FOUO) All unused direct advanced funds must be reconciled and returned to CPCSUS, FD, within [redacted] days from the case closing date and/or cessation of [redacted]. Direct advance funds should be returned earlier if funding is to be provided through the TPD system. Return of unused direct advanced funds will be made available for other cases. Direct advance funds must not be deposited into a personal bank account for the purpose of returning the funds to FBIHQ through the use of a personal check. b7E

3.16. (U//FOUO) [redacted]

(U//FOUO) [redacted] b7E

(U//FOUO) [redacted] b7E

(U//FOUO) [redacted] b7E

3.16.1. (U//FOUO) [redacted]

(U//FOUO) An AG exemption must be obtained to use [redacted] b7E

An ASAC or a higher level official must obtain prior approval from HIPSPU, DI, to [redacted]

(U//FOUO) [redacted] b7E

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[REDACTED]

b7E

(U//FOUO)

[REDACTED]

b7E

(U//FOUO)

must be coordinated with

CPCSU, FD.

properly

recorded and reported to CPCSU, FD, on a monthly direct advance voucher.

b7E

(U//FOUO) A formal set of accounting books and records must be established and maintained in compliance with the guidelines and requirements for recordkeeping.

b7E

[REDACTED] Documentation supporting actions that were completed must be placed in the appropriate case subfile.

b7E

(U//FOUO) For [REDACTED] UCOs using the TPD system, the FD-735a Form must be completed monthly and attached to the FD-794 Form. An approved copy of the FD-735a Form must be forwarded to CPCSU, FD, on a quarterly basis.

(U//FOUO) Absent an AG exemption

[REDACTED]

b7E

[REDACTED] a copy retained in the case financial subfile, and a copy must be submitted to CPCSU, FD.

(U//FOUO)

[REDACTED]

b7E

(U//FOUO)

[REDACTED] and must be forwarded to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI.

b7E

(U//FOUO)

[REDACTED] must be remitted to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI.

b7E

(U//FOUO)

(U//FOUO) To properly complete an FD-794 Form or an FD-735a Form, refer to the DSUG.

b7E

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3.16.2. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

[REDACTED] Very limited exceptions to this policy may be authorized by the respective substantive desk and FD at FBIHQ in emergency situations where necessity and justification are fully documented.

(U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

• (U//FOUO) [REDACTED]

• (U//FOUO) [REDACTED]

b7E.

• (U//FOUO) [REDACTED]

• (U//FOUO) [REDACTED]

(U//FOUO) Upon approval, the field office must receive documented operational authority from the substantive desk at FBIHQ before proceeding.

b7E

(U//FOUO) [REDACTED] should be included in the UCO budget proposal. Under the UCO guidelines, these funds should not be included when determining the maximum expenditures or the level of authorization required for approval of operational expenses.

(U//FOUO) In addition, the field office must receive documented procurement authority from the PS, FD, which can only be granted after obtaining the written agreement from the [REDACTED] approval from the substantive desk at FBIHQ.

b7E

(U//FOUO) [REDACTED]

b7E

[REDACTED] Legal questions concerning [REDACTED] should be referred to the CDC or the Office of the General Counsel (OGC), FBIHQ, for resolution.

3.16.3. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

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• (U//FOUO) [REDACTED]

b7E

• (U//FOUO) [REDACTED]

• (U//FOUO) [REDACTED]

• (U//FOUO) Approval from the PS, FD.

(U//FOUO) The Accounts Receivable Unit, AS, FD, should be consulted prior to submission of a UCO budget [REDACTED]

b7E

(U//FOUO) Funds cannot be received directly by the field office [REDACTED]

b7E

(U//FOUO) The field office should account for all expenditures and submit either an FD-794 Form to the TPD office or monthly direct advance vouchers to CPCSU, FD, to process the expenses [REDACTED]

b7E

(U//FOUO) For information on [REDACTED] refer to the FGUSO.

b7E

3.16.4. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

(U//FOUO) An AG exemption is not required to expend [REDACTED]. However, the official responsible for approving a UCO (field division head for [REDACTED] UCOs and the respective AD at FBIHQ for [REDACTED] UCOs) must certify using SDF to further the objectives of the operation. The Assistant United States Attorney (AUSA) must be notified after a field office receives approval to use [REDACTED]. If the AUSA has no legal objection to the use of the funds, the expenditures should be accounted for in the same manner as case funds.

b7E

(U//FOUO) The field division head must be notified immediately when [REDACTED] are received [REDACTED] must be counted and verified by two SAs prior to deposit into a secure repository. [REDACTED] must be documented, properly recorded in appropriate books and records, and accounted for on an FD-302 Form. [REDACTED]

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[REDACTED]

b7E

(U//FOUO) Field division head authority must be obtained prior to using [REDACTED]. An EC, approved by a field division head, which documents the authority for [REDACTED] must be placed in the case file.

b7E

(U//FOUO) [REDACTED]
[REDACTED]

b7E

(U//FOUO) [REDACTED]
[REDACTED]

b7E

(U//FOUO) [REDACTED]
[REDACTED]

b7E

(U//FOUO) [REDACTED]
[REDACTED]

b7E

3.17. (U//FOUO) Interest Income

(U//FOUO) Interest income is derived from the management of confidential funds, including securities, bonds, other investments, and the deposit of funds in interest-bearing accounts. According to the Department of Treasury regulations, interest income earned on appropriated funds is not considered proceeds of the operation and cannot be used to offset expenditures [REDACTED].

b7E

(U//FOUO) Interest income should be remitted quarterly to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI. When the interest on hand is less than [REDACTED] it can remain in the [REDACTED] until the aggregate interest amount totals [REDACTED] or until the end of the fiscal year in which interest was earned.

b7E

3.18. (U//FOUO) Other Use of Appropriated Funds

(U//FOUO) Other uses of appropriated funds available for the field offices include [REDACTED]. [REDACTED] BIHQ approval must be obtained to receive and use these types of funds. These funds may not be expended or retained as evidence, under any circumstances.

b7E

3.18.1. (U//FOUO) [REDACTED]

b7E

3.18.1.1. (U//FOUO) General Information

(U//FOUO) [REDACTED] are available on a case-by-case basis to provide financial credibility to a [REDACTED]. [REDACTED] may not be utilized for this purpose.

b7E

(U//FOUO) [REDACTED] funds must be in the care, control, or custody of the FBI at all times. These funds may not be expended, including [REDACTED].

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[REDACTED]

b7E

(U//FOUO) [REDACTED]

[REDACTED]

b7E

(U//FOUO) [REDACTED]

[REDACTED]

b7E

(U//FOUO) [REDACTED]

[REDACTED]

b7E

[REDACTED] A copy of the approved request must be submitted to CPCSU, FD. In addition, a copy of each extension request must be placed in the appropriate case [REDACTED]

(U//FOUO) [REDACTED]

[REDACTED]

b7E

3.18.1.2. (U//FOUO) [REDACTED]

(U//FOUO) The following approvals are necessary to request [REDACTED]

Approval Level	Amount
Field Division Head	[REDACTED]
Section Chief	
DAD	
AD	
EAD	
DD	

b7E

(U//FOUO) The field division head or ASAC, in the field division head's absence, can authorize the use of [REDACTED] investigative operations up to [REDACTED]. An EC approved by a field division head or ASAC under the case caption requesting [REDACTED] must be submitted to CPCSU, FD, and an information copy forwarded to the respective substantive desk at FBIHQ. All requests exceeding a field division head's authority level must be approved by the respective substantive desk at FBIHQ before CPCSU, FD, initiates the wire transfer. The requesting EC should contain the following information:

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- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]

b7E

(U//FOUO) Once the EC is received, CPCSUS, FD, will immediately initiate the wire transfer. Every effort should be made to provide adequate lead time to accomplish the wire transfer.

(U//FOUO) [REDACTED]

b7E

(U//FOUO) The field office must document each request to use TPD funds for this purpose, and the corresponding EC(s) must be maintained in the TPD office in a separate case. [REDACTED]

b7E

[REDACTED] the funds must be returned to the TPD office on the [REDACTED] An EC approved by a field division head or ASAC, in the field division head's absence, must be submitted to CPCSUS, FD, requesting to initiate a direct advance transfer of funds. The approved EC should include justification to maintain the funds and the retention period.

(U//FOUO) For detailed procedures on wire transfers, refer to Section 4.1 of this PG.

3.18.2. (U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

(U//FOUO) An EC approved by a field division head requesting the use of [REDACTED] in support of a [REDACTED] must be submitted to the respective substantive desk at FBIHQ. The written request must provide detailed information on the intended confidential [REDACTED]

b7E

(U//FOUO) [REDACTED] funds must be returned to CPCSUS, FD, within [REDACTED] days of receipt. For [REDACTED] UCOs, the funds can be retained for the duration of the authorized investigative phase. Upon expiration of the [REDACTED] UCO authority, the [REDACTED] must be returned to CPCSUS, FD, within [REDACTED] days. All extension requests to retain [REDACTED]

b7E

3.18.2.1. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

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[REDACTED]

b7E

Proper FBIHQ authorization must be obtained prior to the purchase of [REDACTED]

(U//FOUO) The field division head's operational authority must be obtained prior to the use of [REDACTED]

[REDACTED] The substantive desk at FBIHQ must approve all requests to use [REDACTED]

[REDACTED]

b7E

(U//FOUO)

[REDACTED]

b7E

[REDACTED] The principal amount received can be reused, with proper authorization, or returned to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI.

(U//FOUO) An AG exemption and FBIHQ authority must be obtained to use [REDACTED]

b7E

[REDACTED] exemption may be obtained during the [REDACTED] UCO approval process or subsequent to the approval. An FD-1034 Form is used to obtain approval for the exemption.

(U//FOUO)

[REDACTED]

b7E

[REDACTED] Appropriate documentation (i.e., the FD-302 Form) should be prepared to accurately reflect the transaction.

(U//FOUO)

[REDACTED]

b7E

(U//FOUO)

[REDACTED]

b7E

3.19. (U//FOUO) Maintenance of Cash Funds

(U//FOUO) All funds must be maintained as cash unless an AG exemption is obtained to open a [REDACTED] bank account. All cash in the care, custody, and control of the field office must be maintained in a secure manner at all times.

b7E

(U//FOUO) Cash not being used must be maintained in [REDACTED] [REDACTED] as evidenced by the maintenance of the Access Log-Evidence Storage Facility (FD-455). [REDACTED]

b7E

[REDACTED] The FD-455 Form must contain information regarding cash and valuables placed in or [REDACTED]

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removed from a safe, including the date, time, name of employee and witness, amount, purpose, and case number.

(U//FOUO) Each field office should ensure that procedures are in effect to separate the responsibility of safeguarding cash from the responsibility of keeping the accounting records. These procedures should include separating physical custody over cash and bank account signature authority from the maintenance of accounting records. The responsibilities for encoding accounting information, and reviewing and signing direct advance vouchers and blue slips should be separated from those for disbursing funds and receiving cash.

(U//FOUO) All cash, with the exception of cash maintained in the custody of the evidence control technician (ECT), must be physically counted on a monthly basis by an operationally independent employee other than the custodian and accountable officer. The physical cash counts and/or bank reconciliations must be documented and filed in the appropriate case financial subfiles.

3.19.1. (U//FOUO) Petty Cash (Imprest) Fund

(U//FOUO) A portion of direct advance funds from FBIHQ or [] can be retained as a petty cash (imprest) fund and must be supported by an interim receipt retained by the case accountant. In addition, a petty cash fund can be established for employees using TPD [] day revolving advance funds with a [] bank account. Petty cash funds are to be maintained on an imprest basis and []. All advances from the petty cash fund are to be supported by an interim receipt. Physical precautions should be exercised to protect against theft, loss, or misuse of the petty cash funds.

b7E

(U//FOUO) To exercise appropriate internal controls, the care and custody of the petty cash fund should be delegated to the appropriate squad SSA or SA. Petty cash funds using [] funding can also be delegated to a supervisory investigative specialist coordinator (SISC). The custodian of the petty cash fund cannot be the case accountant, case agent, or employees responsible for signing, preparing, or reviewing direct advance vouchers, books and records, or any other accounting entries. As with other petty cash funds, the individual that is responsible for recording and replenishing such funds should not be the same individual responsible for controlling the cash. Petty cash funds must be liquidated or replenished no less than monthly to ensure expenses are vouchered on a timely basis.

b7E

(U//FOUO) Each time the individual assigned to maintain petty cash changes, the petty cash must be audited, and a complete accounting review must be conducted prior to assigning the duty to another individual.

3.19.2. (U//FOUO) Cash Evidence

(U//FOUO) Seized cash retained as evidence that is no longer needed for prosecution must be submitted to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI. An approved EC clearly describing the funds as evidence and a statement that the AUSA has opined the funds are no longer required for prosecution must accompany the money order or cashier's check.

(U//FOUO) For additional information related to evidence, refer to MAOP, Part II, Section 2-4.4.1 and for temporary storage – drug and valuable evidence, refer to MAOP, Part II, Section 2-4.4.9.

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3.20. (U//FOUO) Personal Liability

(U//FOUO) An FBI employee who has custody of funds (e.g., interest from checking accounts or other interest-generating investments) from UCOs, or funds held in trust for other employees is the accountable officer for those funds, and assumes full responsibility and liability.

b7E

(U//FOUO) FBI employees who have physical custody of government funds are held to a strict standard of accountability. They have a fiduciary responsibility for the public funds in their custody.

3.21. (U//FOUO) Securities

(U//FOUO)

b7E

3.22. (U//FOUO)

(U//FOUO) An AG exemption is required to deposit appropriated funds on

b7E

The need must be properly documented and approved by the field division head.

(U//FOUO) Upon receipt of the AG exemption

b7E

unless operationally necessary.

(U//FOUO) The field division head has authority to approve

b7E

(U//FOUO) All checks must be made payable to an individual or entity. Checks should never be made payable to an employee's relatives or friends, or "cash." An accurate check register balance must be maintained

b7E

(U//FOUO) Monthly bank reconciliations must be conducted within days of receipt of the bank statement by an individual other than the authorized signer. Upon completion, the bank reconciliation must be properly documented in the case and must be available for review during the required periodic audit.

b7E

(U//FOUO) A separate must be maintained for each and all bank statements should be serialized. A copy of the bank signature card must be maintained in the and available for review. When an authorized signer changes, a copy of the new signature card must be placed in the All financial information and

b7E

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documentation (e.g., canceled checks, deposit tickets, wire transfer notices, and correspondence) must be placed in a [REDACTED]

b7E

(U//FOUO) Each time the individual assigned to maintain a checking account changes, the accounts must be audited, and a complete accounting review must be conducted prior to assigning the duty to another individual. Necessary changes must be made with the financial institution where checking accounts are maintained, and all other administrative actions must be handled to ensure a proper transition.

(U//FOUO) At the close of an operation's financial activity, all open bank accounts must be closed. Each final bank statement must show a zero balance and indicate the account is closed. If the bank statement shows a zero balance, but does not indicate the account is closed, the case accountant must prepare a certification stating that the bank account has been closed. The certification must be attached to the zero balance bank statement and placed in the case [REDACTED]

b7E

(U//FOUO) [REDACTED]

b7E

(U//FOUO) For additional information on AG exemption, refer to the FGUSO.

3.22.1.1. (U//FOUO) Online Banking Services

(U//FOUO) Online banking services can be established for [REDACTED] on a case-by-case basis upon approval from CPCSUS, FD.

b7E

(U//FOUO) The SSA or case agent must submit an EC approved by the field division head to CPCSUS, FD, requesting the establishment of online banking services for [REDACTED]. The justification EC must be case specific and provide detailed information regarding the [REDACTED]

b7E

[REDACTED] The approved justification EC must be filed in the case [REDACTED]

(U//FOUO) [REDACTED]

b7E

[REDACTED] Each online transaction must be reconciled with the monthly bank statements.

3.23. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

b7E

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(U//FOUO)

b7E

(U//FOUO)

b7E

The approved EC must be provided with the FD-794 Form or monthly direct voucher.

(U//FOUO)

b7E

(U//FOUO)

b7E

(U//FOUO)

b7E

(U//FOUO)

b7E

3.24. (U//FOUO)

(U//FOUO)

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(U//FOUO)

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(U//FOUO)

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[REDACTED]
(U//FOUO) [REDACTED]
[REDACTED]
(U//FOUO) [REDACTED]
[REDACTED]

b7E

b7E

b7E

3.24.1. (U//FOUO) Overt Bank Accounts

(U//FOUO) Field offices experiencing difficulties in receiving wire transfers and/or cashing TPD drafts may submit an EC to CPCSUS, AS, FD, requesting approval to open an overt bank account in the FBI's name. Upon approval, separate funding will be wire transferred by CPCSUS, FD. Any related wire transfer fees are to be reimbursed from case funds. Funds used to open the overt bank account should never be expended. An overt bank account file must be opened as part of the [REDACTED] in the TPD office. This file will contain a copy of the bank signature card, monthly bank reconciliations, wire transfer notices, monthly bank statements, deposit tickets, and any other financial information related to the overt bank account. When an authorized signer changes, a copy of the new signature card must be placed in the overt bank account file.

b7E

(U//FOUO) Monthly bank reconciliations must be conducted within [REDACTED] days of receipt of the bank statement by an individual other than the authorized signer. Upon completion, the bank reconciliation must be properly documented in the overt bank account file and available for review during the required TPD periodic audit.

b7E

(U//FOUO) Interest income should be remitted quarterly to CPCSUS, FD, in the form of a money order or cashier's check payable to the FBI. When the interest on hand is less than [REDACTED] it can remain in the overt bank account until the aggregate interest amount totals [REDACTED] or until the end of the fiscal year in which interest was earned.

b7E

(U//FOUO) For detailed procedures on wire transfers, refer to Section 4.1. of this PG.

3.25. (U//FOUO) Prepaid Phone Cards

(U//FOUO) Prepaid phone cards can be purchased to [REDACTED]
[REDACTED]

b7E

(U//FOUO) The ASAC or a higher level official has authority to approve the purchase of prepaid phone cards or "go" phones to be used by an SA when operationally necessary (e.g., [REDACTED]). The prepaid minutes must be limited to the amount needed within a one or two month period. The need for the use of a prepaid phone card or a "go" phone by an SA must be documented in an EC approved by a field division head. The EC must be attached to the FD-794 Form or direct advance voucher. A copy of the approved EC must be filed in the [REDACTED].

b7E

3.26. (U//FOUO) Stolen or Uncollectible Funds

(U//FOUO) If confidential case funds are stolen or are uncollectible (e.g., a [REDACTED] will not release the funds to the FBI) during the course of a [REDACTED] UCO, an

b7E

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EC approved by a field division head, explaining the circumstances for the loss of funds and requesting approval to expense the loss of funds as a miscellaneous expense, must be submitted immediately to the respective substantive desk at FBIHQ and CPCSU, FD.

(U//FOUO) Upon approval from the substantive desk, a certifying officer in CPCSU, FD, will review the EC to determine if the loss should be recorded as an operational case expense. The certifying officer may request an opinion from the division CDC before notifying the field office of the decision if the loss is determined to be the result of negligence.

(U//FOUO) Confidential TPD funds approved as loss of funds by FBIHQ must be reported on an approved FD-794 Form and charged to the operational case as a miscellaneous expense [redacted]

b7E

[redacted] The written approval should be attached to the FD-794 Form as supporting documentation.

(U//FOUO) Direct advance funds from FBIHQ determined to be lost or uncollectible must be reported as loss of funds on the monthly direct advance voucher with the written approval attached as supporting documentation. The voucher must be approved by the ASAC or a higher level official and submitted to CPCSU, FD.

(U//FOUO) Confidential funds lost or stolen as a result of an employee's negligence must be reimbursed by the employee. A money order or cashier's check payable to the FBI must be submitted to the TPD office to liquidate a TPD advance or CPCSU, FD, for a direct advance.

3.27. (U//FOUO) Prohibitions

(U//FOUO) Certain expenditures of appropriated funds are prohibited by appropriation laws or by decisions of the Comptroller General of the United States. In the event funds are used improperly, the employee responsible for the prohibitive transaction may be required to reimburse the FBI.

3.27.1. (U//FOUO) Personal Expenses

(U//FOUO) Appropriated funds cannot be used to pay personal expenses such as routine commuting or parking expenses, laundry of personal items at an employee's official duty station, haircuts, or individual child care expenses for employees.

3.27.2. (U//FOUO) Entertainment and Recreation Expenses for Employees

(U//FOUO) In most cases, employees may not use government funds for food, entertainment, or recreational activities while at their duty stations. The use of funds for such unauthorized purposes may constitute violations of the Antideficiency Act (ADA), 31 U.S.C. Section 134. Therefore, employees cannot be reimbursed for these expenses at their duty stations except as provided below.

3.27.2.1. (U//FOUO) Exceptions

(U//FOUO) Under special circumstances, the actual cost of certain items that ordinarily would be considered personal expenses may be reimbursed when the employee must incur the expenses for reasonable investigative or other mission-related purposes. The following examples may constitute such circumstances:

1. (U//FOUO) An SA is involved in an emergency situation where imminent danger to human life and/or threat of destruction of federal property exists.

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2. (U//FOUO) [REDACTED] b7E
3. (U//FOUO) [REDACTED] b7E
4. (U//FOUO) [REDACTED] b7E
5. (U//FOUO) [REDACTED] b7E

[REDACTED] The ASAC or a higher level official must approve a justification EC requesting reimbursement for meals and beverages exceeding the established per diem rate.

3.27.2.1.1. (U//FOUO) Meal Reimbursement

(U//FOUO) In emergency situations, an employee [REDACTED] can be reimbursed for meal expenses. The employee has the option to take a standardized meal reimbursement or provide an itemized receipt based on the per diem rate for the location [REDACTED] the employee is not entitled to a meal reimbursement. b7E

(U//FOUO) In the standardized meal reimbursement option, the employee will be reimbursed a set percentage of the established per diem rate for the area in which the meal was acquired. The following chart depicts the standardized meal deduction rate:

MEAL REIMBURSEMENT CHART			
Area Per Diem Rate	Breakfast	Lunch	Dinner
M&IE Rate	15%	25%	40%
<i>*Note the remaining 20% of the area meals and incidental expenses (M&IE) is for incidental expenses and will not be affected by the meal reduction.</i>			

(U//FOUO) If the employee chooses to use the itemized receipt option, the employee must identify the specific meal expense listed on an itemized receipt.

(U//FOUO) The meal reimbursement extends to food and beverage expenditures within an employee's official duty station. The cost of meals while traveling and carrying out similar duties is eligible for reimbursement through the applicable M&IE allowance.

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3.27.2.2. (U//FOUO) Reimbursement for Food and Beverages

(U//FOUO) Reimbursement for food and beverages is limited to the number of employees required to accomplish the objective of the confidential or operational activity.

(U//FOUO) Claims for food and beverage expenditures must be reasonable. Employees are expected to exercise prudence when incurring such expenditures. Reimbursement of gratuities is limited to 20 percent, unless the employee provides sufficient written justification to support a greater amount.

(U//FOUO) The employee must provide original receipts for reimbursement of all food and beverage expenses or a signed certification in place of a receipt. The certification should contain the same information as a normal vendor receipt (i.e., date, amount, name of individual or entity paid, and description of goods or services). In addition, the employee must prepare and submit an EC, specifically detailing the lack of an original receipt to an SSA or a higher level official for approval. (Note: the approved EC detailing the lack of an original receipt is secondary to the expenditure EC.)

(U//FOUO) Justification for reimbursement of alcoholic beverages must be documented in an EC approved by an SSA or a higher level official. This approved EC must be specific regarding the expenses for alcoholic beverage(s) and is in addition to the supplemental food and beverages. At the discretion of FBIHQ, reimbursement for alcoholic beverages may be subject to field division head approval on a case-by-case basis.

3.27.3. (U//FOUO) Entertainment of Government and/or Non-Government Person

(U//FOUO) The use of government funds to pay for meals or entertainment for other persons, including meals for meetings, liaison activities, strategy sessions, debriefings with law enforcement officers, etc., is generally prohibited.

3.27.3.1. (U//FOUO) Exceptions

(U//FOUO) Exceptions to the restriction on paying for meals/entertainment include expenditures necessary to:

- (U//FOUO) Protect human life,
- (U//FOUO) [REDACTED]
- (U//FOUO) Use representational funds for liaison purposes or to entertain foreign and local dignitaries, under certain circumstances. (Field offices must submit an EC to AS, FD, requesting prior approval to use representational funds.)

b7E

(U//FOUO) An original receipt or, if appropriate, certification, is required to fully document these expenditures and support requests for reimbursement.

3.27.4. (U//FOUO) Fines and Penalties

(U//FOUO) The payment of fines and penalties for employees acting outside the scope of their employment is prohibited. Finance charges and late payment penalties on credit card, utility, telephone, and other monthly billed accounts are prohibited. Exceptions under this authority are very narrowly interpreted.

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(U//FOUO) Timely payment of monthly bills is the responsibility of the account holder. Delays in acquiring receipts or invoices, preparing and submitting expense vouchers, obtaining approvals, or processing at the field office or FBIHQ will not justify late payments to vendors. The case agent is responsible for prompt payment if the account is not associated with a specific individual. In circumstances where routine procedures will not provide funds in time, the employee should obtain a confidential TPD advance to ensure prompt payment.

3.27.4.1. (U//FOUO) Exceptions

(U//FOUO) Fines, late payment penalties, or other charges can be submitted for reimbursement if extraordinary circumstances exist such as:

- (U//FOUO) A bill mailed to an erroneous P.O. Box address,
- (U//FOUO) Emergency deployment of the employee which prevented timely payment of bills,
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]
- (U//FOUO) [REDACTED]

b7E

(U//FOUO) The employee must prepare a justification EC detailing the reasons these expenses were incurred.

(U//FOUO) The field division head, who is ultimately responsible for the expenditure of appropriated funds, has the final approval for reimbursement of these exceptions. The expenditures must be considered necessary, in direct support of an investigation, and incurred in a circumstance where the identity of the FBI must be concealed in order to prevent the compromise of covert activity.

3.27.5. (U//FOUO) Gifts and Plaques

(U//FOUO) The use of government funds for the purchase of gifts is generally prohibited. In unusual cases, the FBI may recognize the assistance of a [REDACTED] with a plaque or other non-monetary rewards [REDACTED]

b7E

(U//FOUO) For detailed information on [REDACTED] gifts and plaques [REDACTED]

b7E

3.28. (U//FOUO) Exemptions to use Appropriated Funds

(U//FOUO) With respect to undercover investigative operations, which are necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence, the U.S. Congress has provided exemptions to certain federal laws (through Public Law 102-395 and subsequent legislation and as codified by reference in Title 28, United States Code, Section 530C[a] [5]) upon the written approval of the FBI Director and the AG or their designees. The exemptions are set out in a note appearing at Title 28, United States Code, Section 533. Exemptions may be authorized as follows:

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- (U//FOUO) Appropriated funds may be used for purchasing property, buildings, and other facilities, and for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States. (Exemption from Title 31, U.S.C., Sections 1341, 3324; Title 40, U.S.C., Section 34; Title 41, U.S.C., Sections 11[A], 22, 254[a] and [c], 255).
- (U//FOUO) [REDACTED] b7E
[REDACTED]
- (U//FOUO) Appropriated funds and the proceeds from UCOs may be deposited in banks or other financial institutions. (Exemption from Title 18, U.S.C., Section 648, and Title 31, U.S.C., Section 3302).
- (U//FOUO) Proceeds from UCOs may be used to offset necessary and reasonable expenses incurred in such operations. (Exemption from Title 31, U.S.C., Section 3302)

(U//FOUO) In cases that do not concern a [REDACTED] an AG exemption is obtained by submitting an FD-1034 Form to the [REDACTED] The FGUSO contains additional guidance for obtaining AG exemptions. b7E

(U//FOUO) For instructions on how to apply for exemptions to [REDACTED] refer to NFIPM [REDACTED] b7E
[REDACTED]

(U//FOUO) For instructions on how to handle funds received in [REDACTED] refer to the NFIPM [REDACTED] b7E
[REDACTED]

3.29. (U//FOUO) Procurement Requirements

3.29.1. (U//FOUO) Contracting Authority

(U//FOUO) The Federal Acquisition Regulations (FAR) vest contracting authority to the head of each agency (for the DOJ, the AG). The AG's authority has been delegated to the Director who further delegated the broad authority to manage the FBI's contracting functions to an established head of contracting activity (the FBI Chief Acquisition Officer [CAO]). The CAO appoints FBI contracting officers via a Certificate of Appointment Form (SF 1402) and a warrant to expend appropriated funds. At the FBI, only contracting officers, acting within the scope of their warranted authority level, can enter into, administer and/or terminate contracts on behalf of the federal government. Contracting officers are also responsible for ensuring that all laws, regulations and approvals have been followed and obtained; funds are available for obligation; contractors receive impartial, fair and equitable treatment; and, when appropriate, the advice of specialists is sought.

3.29.1.1. (U//FOUO) Field Contracting Officers

(U//FOUO) Field contracting officers have warrant authority levels up to [REDACTED] to perform contracting duties and to authorize confidential requirements, excluding lease of space. The field contracting officer must provide procurement authority for any requirements exceeding the b7E

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micro-purchase threshold¹ amount, or on any other actions resulting in an obligation to the federal government.

(U//FOUO) For purchases paid through the TPD system, the field contracting officer should sign the FD-794 Form on the line titled "Procurement Authority."

(U//FOUO) The draft approval officer can process the payment of [] procurement expenditures up to the authorization level of the field division head or field contracting officer. All [] procurement expenditures must be in support of a case on [] and must be operationally approved in advance by the field division head or a designated official.

b7E

(U//FOUO) The FBIHQ contracting officer at PS, FD, must approve all real property transactions (i.e., rent, lease, purchase or sale) and requirements exceeding the field contracting officer's warrant authority.

(U//FOUO) Acquisition plans for procurement actions that have an estimated one-time and/or lifecycle cost of [] or more must be submitted to the Acquisition Review Board (ARB) for review and approval.

b7E

(U//FOUO) Under no circumstances should any requirement be "split" to stay within or under certain dollar thresholds. The "splitting" of requirements is strictly prohibited by the FAR. For example, if a stated requirement is for six items or a six-month period of time, then procurement authority must be obtained for all six items or the entire six-month period of time, not one item at a time or on a month-to-month basis.

(U//FOUO) Lack of contracting officer procurement authority is considered an unauthorized commitment and will require ratification by the CAO, PS, FD. The ratification of procurement should be handled in accordance with FBI Ratification Policy.

(U//FOUO) For more information on ratification, refer to Ratification Policy ECs, Case ID 319B-HQ-A1487495 dated 01/16/07, and Case ID 66F-HQ-A1204665, Serial 470.

(U//FOUO) For information on approval of the FD-794 Form, refer to the DSUG.

3.29.1.2. (U//FOUO) Field Division Head's Micro-Purchase Authority

(U//FOUO) The FAR allows the CAO to delegate micro-purchase authority to the head of each field office according to the policy found in this PG. The field division head has authority to approve confidential expenditures up to the micro-purchase threshold amount without additional procurement authority. This authority does not include contracts (e.g., rental of vehicles, rental of furniture, cellular phone contracts) or purchase of nonexpendable property and equipment.

(U//FOUO) The field division head can re-delegate, in writing, the confidential spending authority up to [] to other members of the field office management. The documentation must be maintained in the appropriate field office file.

b7E

(U//FOUO) For purchase of nonexpendable property and equipment, refer to Section 3.30.2 of this PG.

¹ (U//FOUO) Pursuant to the FAR 2.101 the micro-purchase threshold amount is \$3,000 except for acquisitions of construction subject to the Davis-Bacon Act, \$2,000.00; and acquisitions of services subject to the Service Contract Act, \$2,500.00.

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3.29.2. (U//FOUO) Competition

(U//FOUO) Competition for acquisitions up to the micro-purchase threshold amount is not required if the price is considered fair and reasonable.

(U//FOUO) A fair and reasonable determination can be made by checking normal commercial pricing charged to customers, for example:

- (U//FOUO) A review of internet websites, newspaper advertisements, and/or catalogs reveal pricing to be acceptable,
- (U//FOUO) Previous requirements (price not to exceed a 10% increase),
- (U//FOUO) Knowledge of the item by the requester, based on the technical background of the employee, and
- (U//FOUO) Additional discounts negotiated.

(U//FOUO) A field contracting officer can review the field division head's micro-purchase approval to determine that the price is fair and reasonable. The vendor providing the best value should be selected after determining the price is fair and reasonable.

(U//FOUO) Competition for acquisition exceeding the micro-purchase threshold amount requires competitive bids—generally three bids per quote. The field contracting officer must review and approve all requirements exceeding the micro-purchase threshold up to the warrant level.

(U//FOUO) Normally the vendor offering the lowest price that meets the requirements (e.g., delivery time, special features) will receive the order. If not, the selection will be made based on best value, which can include consideration of one or more of the following: warranty, special features, availability of service, trade-in considerations, and past performance.

(U//FOUO) All documentation pertaining to the justification for a procurement authorization must be maintained with the procurement records for:

- a period of three years after the final payment for contracts up to and
- a period of six years and three months after the final payment for contracts over

b7E

(U//FOUO) The justification must include competition, when required, fair/reasonable price, or a reason for lack of competition.

3.29.3. (U//FOUO) Lack of Competition

(U//FOUO) In instances where operational requirements preclude obtaining competition for purchases exceeding the micro-purchase threshold amount, a written justification in support of the lack of competition must be provided to the field contracting officer for review and approval. The justification must be specific and state the reason for noncompetitive bids/quotes which may be one of the following reasons:

- (U//FOUO) **Unusual and Compelling Urgency:** the government will be seriously injured unless the agency is permitted to limit the number of sources from which it solicits bids or proposal,
- (U//FOUO) **Unique Source:** only one source can provide the goods and/or service – including how this decision was reached (e.g. market research conducted through the internet, yellow pages, telephone calls to local companies, etc.),

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- (U//FOUO) **Unique Company:** only one company can provide the goods/services based on the capabilities of the company (e.g., perform repairs and get parts, leasing from this vendor); therefore, all repairs/service must be performed by the company,
- (U//FOUO) **Specific Make/Model:** if bids are obtained but a specific type of equipment is requested (e.g., if only a specific brand of computer will fill the requirement), a statement must be included to justify why only a particular item or brand will satisfy the requirement, or
- (U//FOUO) **National Security:** when disclosure of the Bureau's needs would compromise national security unless the agency is permitted to limit the number of sources from which it solicits bids or proposals.

3.29.4. (U//FOUO) [] Contracts and Lease Agreements – Except Real Property

(U//FOUO) All [] contracts and lease agreements (except real property) exceeding the field contracting officer warrant must be reviewed and approved by an FBIHQ contracting officer, PS, FD, prior to being executed. All [] and [] must receive prior approval from the []

b7E

(U//FOUO) Agreements associated with the rental of parking spaces, self-storage facilities, boat slips, and [] offices must be reviewed by the field office CDC. The field office CDC will determine whether a leasehold interest or a potential liability in excess of the field contracting officer's warrant will be created. If a potential liability exists, an FBIHQ contracting officer, PS, FD, must approve these agreements in advance.

b7E

(U//FOUO) The execution of a contract without appropriate procurement authority could render the contract void and expose the employee to personal liability as a result of engaging in activity outside of the employee's scope of authority.

3.29.5. (U//FOUO) Lease or Rental of Real Property

(U//FOUO) All leases or rentals of real property must be reviewed and approved by an FBIHQ contracting officer, PS, FD, prior to the execution of the lease or rental agreement. The FBIHQ contracting officer must provide procurement authority when no formal lease or rental agreement exists.

(U//FOUO) In addition, all leases/rentals of real property require an AG exemption. Requests for AG exemptions must be coordinated through []

b7E

All leases or rentals of real property within the District of Columbia require an AG exemption regardless of length or month-to-month status.

3.29.6. (U//FOUO) Rental or Lease of [] Motor Vehicles

(U//FOUO) The rental or lease of motor vehicles is authorized when necessary to support field office operations. The field division head should ensure that adequate justification exists for the rental or lease of all [] motor vehicles. Contracting officer procurement authority is required for all rental or leasing of [] motor vehicles.

b7E

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3.29.6.1. (U//FOUO) Repair of [] Motor Vehicles

(U//FOUO) Structural repairs required as the result of an accident may be paid from confidential funds []

b7E

(U//FOUO) The rental agreement must be provided to the CDC to facilitate the determination of the contractually responsible party for the repair of the [] motor vehicle. In most cases, the rental car agency repairs the vehicle.

b7E

(U//FOUO) Repair of [] vehicles exceeding the field division head's micro-purchase authority requires:

b7E

- (U//FOUO) Three estimates []
- (U//FOUO) Appropriate operational approval, and
- (U//FOUO) Procurement authority.

(U//FOUO) Payment for repair of [] vehicles must be made from appropriate [] and not from the field office automotive repair budget.

b7E

3.29.6.2. (U//FOUO) Theft or Loss of [] Vehicles

(U//FOUO) Appropriate operational and procurement authority is required for expenses related to the theft or loss of [] rental vehicles exceeding the field division head's micro-purchase authority.

b7E

(U//FOUO) Payment for theft or loss of [] vehicles must be made from appropriate [] and not from the field office automotive repair budget.

b7E

3.29.7. (U//FOUO) Rental of Aircraft

(U//FOUO) The rental of aircraft to support field office operations requires prior approval from []. The ASAC or a higher level official must submit an EC to [] justifying the need and requesting approval for the rental of aircraft. Upon approval from [] procurement authority is required for the rental of aircraft exceeding the field division head's micro-purchase authority.

b7E

3.29.8. (U//FOUO) Aircraft Inspections or Repairs

(U//FOUO) A program manager's approval from the [] and procurement authority is required for:

b7E

- (U//FOUO) Routine inspections, including 100 hour/annual inspections for single-engine aircraft,
- (U//FOUO) Routine inspections on helicopters and twin-engine aircraft exceeding []
- (U//FOUO) Helicopter repairs and purchases of tools and/or equipment, and
- (U//FOUO) The purchase of equipment (for installation on a Bureau-approved aircraft) and/or tools exceeding the field division head's micro-purchase authority.

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3.29.9. (U//FOUO) Rental of Furniture

(U//FOUO) The rental of furniture is authorized when necessary to support [REDACTED] Procurement authority is required for the rental of furniture.

b7E

3.29.10. (U//FOUO) Purchase of Real Property

(U//FOUO) An AG exemption is required for any [REDACTED] purchase of real property. The purchase of real property must be coordinated with the respective substantive desk section chief at FBIHQ [REDACTED]

b7E

(U//FOUO) Plans to purchase real property must be reviewed by the CUORO [REDACTED] and approved by the appropriate AD as part of the [REDACTED] UCO submission. The PS, FD, must review and approve the purchase of real property. All purchases of real property require a preliminary title opinion from DOJ which must be coordinated through PS, FD. Also each purchase must be coordinated with the Section Chief, AS, FD, who is responsible for maintaining accounting records of all real property purchased.

b7E

(U//FOUO) Procurement authority by a field contracting officer is required when property taxes, homeowner's association fees, common area maintenance fees, and insurance fees exceed the micro-purchase authority.

3.30. (U//FOUO) Purchase of Property

(U//FOUO) All property (expendable, nonexpendable, non-recoverable, and clothing) acquired with confidential funds during a UCO must be recorded in the case accountable property register regardless of the dollar value. Nonexpendable property and equipment over [REDACTED] must be recorded in the division's [REDACTED]

b7E

[REDACTED] excluding non-recoverable property. The following property is required to be captured in [REDACTED] regardless of the dollar value: central processing units, [REDACTED] devices with audio/video/data recording and playback features, firearms, jewelry, laptops and related equipment, computer servers, two-way radios, and watches with communications and synchronization.

(U//FOUO) Prior procurement authority must be obtained for expendable property purchases exceeding the field division head's micro-purchase authority.

3.30.1. (U//FOUO) Purchase of Clothing

(U//FOUO) The purchase of clothing for UCOs is generally restricted to specialized items determined to be required for the protection or safety of employees in the performance of their assigned duties. The purchase of clothing is allowed for a UCE [REDACTED]

b7E

[REDACTED] Procurement authority must be obtained for purchases of clothing exceeding the field division head's micro-purchase authority.

(U//FOUO) All clothing purchased with confidential funding must be recorded on the accountable property register. The employee must sign a Receipt of Government Property Form (FD-281) since clothing and costumes are considered government property but are not recorded on a [REDACTED] When the property is no longer needed, it must be destroyed and noted on the FD-281

b7E

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Form. A Requirements and Certification for Cannibalization and Destruction of Equipment Form (FD-519) must be prepared and filed in the substantive case file.

(U//FOUO) Under no circumstances may confidential funds be used to purchase law enforcement gear or clothing (e.g., raid jackets, tactical vests, holsters). Clothing necessitated by the unusual circumstances of a case may not be purchased using confidential funds (e.g., cold weather "gear" to conduct an investigation, hazardous material suits, gloves, and boots to carry out a search warrant). Expenditures of this nature must be paid from the discretionary budgetary account of the field office.

3.30.2. (U//FOUO) Purchase of Nonexpendable Property and Equipment

(U//FOUO) It is prohibited to purchase nonexpendable property and equipment with confidential funds except in circumstances where overt methods would compromise the [REDACTED]

b7E

(U//FOUO) Funding from a [REDACTED] UCO to purchase nonexpendable property and equipment must initially be requested in the [REDACTED] UCO proposal for approval by the CUORC [REDACTED] [REDACTED] depending on the type of UCO.

b7E

(U//FOUO) For [REDACTED] UCOs, appropriate operational written approval must be obtained from the substantive desk at FBIHQ before using confidential funds to purchase nonexpendable property and equipment (such as copiers, fax machines, computer equipment, answering machines, telephones, cellular phones, and furniture). The written justification to use confidential funds to purchase nonexpendable property and equipment must include detailed information supporting the use of confidential funds as opposed to the division's discretionary funds.

b7E

(U//FOUO) Insufficient division discretionary funds are not justification for using confidential funds to purchase nonexpendable property or equipment. In such circumstances, the ASAC or a higher level official should request an enhancement to the division's discretionary funds from the Budget Section, FD.

(U//FOUO) The following authorizations must be obtained each time confidential funds are utilized to purchase nonexpendable property and equipment:

- (U//FOUO) Field division head operational authority, unless authority already has been obtained through a [REDACTED] UCO proposal,
- (U//FOUO) Separate field division head and substantive desk approval for additions to or changes in the approved UCO proposal, and
- (U//FOUO) Contracting officer procurement authority.

b7E

(U//FOUO) Nonexpendable property and equipment purchased for a specific [REDACTED] UCO cannot be used by another case or UCO unless, at the conclusion of the operation, the Asset Management Unit (AMU), FD, authorizes the transfer of the property. This authority must be documented, and the property must be removed from the original [REDACTED] UCO accountable property register and added to the accountable property register of the operation authorized to use the property and equipment.

b7E

(U//FOUO) At the conclusion of the [REDACTED] UCO, AMU, FD, must be provided with a final inventory of the property and equipment acquired. Property and equipment purchased with FBIHQ [REDACTED] UCO funds must be returned to AMU, FD, unless the field office is instructed

b7E

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by AMU, FD, to transfer the property to another field office, dispose of the property, or incorporate the property into its existing inventory.

3.30.3. (U//FOUO) Purchase of Furniture

(U//FOUO) Furniture may be purchased [REDACTED]

b7E

(U//FOUO) Funding from [REDACTED] UCO to purchase furniture must initially be requested in the [REDACTED] UCO proposal for approval by the CUORC [REDACTED], depending on the type of UCO.

b7E

(U//FOUO) Approval from a field division head's operational authority and the substantive desk at FBIHQ is required for the purchase of furniture using confidential funds. Procurement authority must be obtained for purchases exceeding the field division head's micro-purchase authority. Although furniture is considered nonexpendable property, it is not recorded in [REDACTED]

b7E

(U//FOUO) At the conclusion of an operation, furniture should not be shipped to FBIHQ. [REDACTED]

b7E

(U//FOUO) If it is cost-effective, furniture can be transferred to another field office; if not, it should be disposed of or sold. Prior approval from [REDACTED] is required to transfer furniture to another field office's operation. This approval must be documented, the furniture removed from the original case accountable property register, and added to the accountable property register of the operation authorized to use it.

b7E

(U//FOUO) Prior approval from AMU, FD, and [REDACTED] are required to sell or dispose of furniture. This approval must be documented. Income received from the sale of furniture must be converted to a money order or cashier's check payable to the FBI and submitted to CPCSU, FD, with an approved EC. The approved EC should provide the fiscal year in which the furniture was purchased in order to properly credit the expense to the appropriate fiscal year. If the fiscal year is not provided, the income received will be deposited into the account of the U.S. Treasury. The furniture that is disposed of or sold must be removed from the original case accountable property register.

b7E

3.30.4. (U//FOUO) Purchase of Non-Recoverable Property

(U//FOUO) The field division head can authorize the purchase of non-recoverable property up to the micro-purchase threshold amount. The substantive desk at FBIHQ must provide written prior approval for purchases of non-recoverable property exceeding the micro-purchase threshold amount. Upon substantive desk approval, contracting officer procurement authority must be obtained. The property should not be retained by the FBI and is therefore considered expendable property. All purchases of non-recoverable property must be documented in the case [REDACTED] [REDACTED] UCO proposals should include the anticipated use of the non-recoverable property.

b7E

(U//FOUO) An accurate accounting of the purchase and ultimate disposition must be maintained in an inventory record for the [REDACTED] or other similar property used [REDACTED]

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(U//FOUO) Property given to [REDACTED] or other individuals during the course of the operation should be recorded as a disposal of property and fully documented with [REDACTED]

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[REDACTED]

b7E

(U//FOUO) [REDACTED]

[REDACTED]

b7E

(U//FOUO) At the conclusion of the [REDACTED] of the operation, [REDACTED] must approve the final disposition of property.

b7E

3.31. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

[REDACTED]

b7E

(U//FOUO) An EC, approved by a field division head, requesting the [REDACTED]

[REDACTED]

b7E

[REDACTED]

(U//FOUO) An EC, approved by a field division head, requesting to [REDACTED]

b7E

[REDACTED]

3.32. (U//FOUO) Sale or Disposal of FBI Property

(U//FOUO) Income received from the sale of FBI (U.S. government) property is not available to offset operational expenditures and must be submitted to CPCSU, FD, in the form of a money order or cashier's check payable to the FBI.

(U//FOUO) AMU ED, must be immediately notified via EC of property that was [REDACTED]

b7E

[REDACTED] The immediate notification is necessary so that AMU can remove the property from [REDACTED]

3.33. (U//FOUO) Travel and Subsistence

(U//FOUO) Travel and subsistence in support of confidential activity may be overt (routine travel funds) of [REDACTED] depending upon the circumstances [REDACTED]

[REDACTED]

b7E

[REDACTED] when FBI funds are being expended.

(U//FOUO) A per diem allowance cannot be authorized for travel of less than 12 hours. For travel involving more than 24 hours, reimbursement for the first and last days of travel will be 75 percent of the applicable M&IE rate prescribed for the temporary duty (TDY) locality.

(U//FOUO) If the employee travels a minimum of four consecutive nights, laundry, cleaning, and the cost of having clothes pressed can be claimed. These expenses must be incurred at the TDY location and cannot be expensed on the first or last day of the TDY assignment or after the employee returns to the official duty station. All claims for laundry must be supported by the

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original receipt or certification and should not exceed \$75 per week unless unusual travel circumstances exist.

3.33.1. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

b7E

(U//FOUO) [REDACTED]

b7E

3.33.2. (U//FOUO) [REDACTED]

(U//FOUO) [REDACTED]

b7E

(U//FOUO) The field office being supported must:

- (U//FOUO) [REDACTED]

b7E

- (U//FOUO) [REDACTED]

(U//FOUO) The travel and operational expenditures incurred in support of [REDACTED]

b7E

[REDACTED] using an SF-1012 Form. The SF-1012 Form will be appropriately vouchered by the office being supported, using a direct advance voucher.

(U//FOUO) [REDACTED] must liquidate all outstanding advances and submit claims for all expenses on the last day of assignment to the office being supported, using an SF-1012 Form.

b7E

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3.33.3. (U//FOUO) Overt Travel

(U//FOUO) If the traveler is identified as an FBI employee, the travel is considered overt, regardless of the purpose of the travel. Requesting government rates or using the FBI tax number to avoid paying room taxes is the equivalent of identifying the traveler as an FBI employee.

(U//FOUO) All overt travel expenses in support of confidential activity are reported using a Travel Request Form (FD-540) and an SF-1012 Form consistent with travel regulations, and reimbursement is limited to the established per diem rates. The [redacted] from the overt travel must be indicated on the file number line of the FD-540 Form. Payment for overt travel must be made from the routine travel budget of the employee's field office [redacted]

b7E

3.33.4. (U//FOUO) [redacted] Travel

(U//FOUO) Under certain circumstances, an employee may travel overtly to and/or from an area [redacted]

b7E

(U//FOUO) [redacted]

b7E

3.34. (U//FOUO) Miscellaneous Expenditures

(U//FOUO) The field division head has micro-purchase authority to approve the use of confidential funds for case related overt miscellaneous expenditures (listing the FBI on the invoice) that directly support an investigation as long as [redacted]. Examples of overt miscellaneous expenditures are: subpoenas, translations, and duplication of court records; or the purchase of blank videos, audio tapes, films. The field division head can redelegate this authority up to [redacted] as described in Section 3.29.1.2. of this PG. Prior approval from the respective substantive desk at FBIHQ and procurement authority is required for miscellaneous expenses exceeding the micro-purchase authority. The authority to use confidential funds to process overt miscellaneous expenses must be documented with an approved EC and attached to the FD-794 Form.

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(U//FOUO) With the exception of [redacted] general office supplies may only be purchased with confidential funds when they are [redacted]

b7E

(U//FOUO) All items purchased as replacement parts (e.g., conductors, screws, bolts), and miscellaneous supply items, (e.g., paper towels, cleaning supplies), exceeding the field division head's micro-purchase authority requires procurement authority. Items such as towels and linens may be grouped together under one procurement authorization number for inventory purposes only.

(U//FOUO) Contracting officer procurement authority is required for all purchases using the bulk funding system. The field contracting officer must provide procurement authority for the entire

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amount based on the itemized list describing each item, with the estimated price and any changes to the list (price or items).

3.34.1. (U//FOUO) Security of Sensitive Documents

(U//FOUO) The following documents must be classified at the appropriate level based on the classification level of the case file:

- (U//FOUO) [REDACTED]

b7E

- (U//FOUO) [REDACTED]

(U//FOUO) Store all TPD records and control files in a secure manner. Access to such records is to be controlled and limited to those personnel having an official "need to know."

(U//FOUO) For additional information, refer to the NFIPM.

3.35. (U//FOUO) Audit Responsibilities

b7E

(U//FOUO) Due to the sensitive nature of [REDACTED] the authority to audit direct advance operations and confidential funding vests solely in the FBI. Accordingly, any request for permission to audit such operations by anyone other than FBI personnel should be referred to the Audit Unit, Inspection Division (INSD). Under no circumstances is an audit by non-FBI personnel to be permitted without prior written authority from the INSD.

(U//FOUO) Confidential funds are subject to audit by the Audit Unit, INSD, during division audits, as the result of a change in the field division head, or on an unannounced basis as determined by the Audit Unit, FD.

3.35.1. (U//FOUO) Field Office Audits

(U//FOUO) Field office audits are an integral part of the internal controls process and must be conducted by qualified employees (e.g., auditor, FA, SAA).

(U//FOUO) All confidential expenditures paid through the TPD system in support of confidential cases [REDACTED] JCOs must be audited during the TPD system audits.

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(U//FOUO) Direct advances must be audited on a quarterly basis by a qualified employee (e.g., auditor, FA, SAA), who is independent of the operation and its bookkeeping activities. A direct advance from FBIHQ is subject to scrutiny by independent personnel.

(U//FOUO) Audits must be completed by the close of business on the last day of the month following the close of the quarter, i.e., January 31st, April 30th, July 31st, and October 31st.

(U//FOUO) Field offices may request authority from the Audit Unit, FD, to change the quarterly audit period for any investigative program (e.g., [REDACTED])

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(U//FOUO) An EC, approved by an ASAC or a higher level official, detailing the reason the audit dates should be changed (e.g., the lack of qualified personnel to perform audits or other administrative problems that would affect the timeliness and accuracy) must be submitted. The request should also include a formal plan outlining the proposed quarterly audit schedule for the specific investigative program. The audit schedule cannot be changed prior to receiving

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authorization from the Audit Unit, FD. When a staggered audit schedule has been approved by FBIHQ, the required quarterly and semi-annual audits must be adjusted to coincide with the new audit schedule.

(U//FOUO) In order to maintain an independent audit function, the field office auditor must not be supervised by an individual responsible for overseeing TPD functions or operations receiving direct advances. Whenever possible, field office auditors must be supervised by an executive manager. If the auditor is supervised by an individual who is also responsible for a program that is audited, the auditor must report the results of the audit to the next higher level of management.

(U//FOUO) If possible, employees assigned to perform quarterly audits should be rotated so that the same employee does not perform two consecutive audits of any operation, unless the field office has an auditor.

(U//FOUO) The field division head or delegated official must review and sign the field office audit report, evaluate the audit findings and recommendations, and determine the actions to take to correct or resolve audit findings within established time frames. The field division head can delegate these functions to an executive manager in the field office.

(U//FOUO) The field offices must upload an EC to the appropriate file number and set a "read and clear" lead to the Audit Unit, FD, with the results of the direct advance and TPD audits. Direct advances should be unloaded to the appropriate case file number and the TPD audit should be uploaded to [REDACTED]. The Audit Unit, FD, should analyze the results of the audits to determine if the field offices are conducting audits in a timely manner and to record/report weaknesses/findings in the form of a trend analysis. The field offices must scan the approved EC with the audit results and audit work papers, which must be sent electronically to the Audit Unit, INSD. Each audit must be documented and maintained in the field office, and a copy placed in the appropriate case financial subfile for each operation.

b7E

(U//FOUO) Minimum procedures, as part of the audits, are outlined in the field office audit programs. These procedures are not all inclusive and should be expanded when necessary. The audit programs must be used as a guide to ensure that all areas under audit are adequately addressed and reviewed. The audit program must be done with sufficient detail to indicate that each step or procedure was fully completed. [REDACTED] are available directly from the Audit Unit, FD, or from the [REDACTED].

b7E

(U//FOUO) A record of the auditor's work must be retained in the form of working papers. Working papers allow for the review of audit quality by providing the reviewer written documentation of the evidence supporting the auditor's significant conclusions and judgments. Working papers must contain: the objectives, scope, and methodology; sampling criteria used; documentation of the work performed to support significant conclusions and judgments; descriptions of transactions and records examined; and evidence of supervisory reviews of the work performed.

(U//FOUO) Quarterly audits are required to continue until all funds and assets have been accounted for, and the books and records of the operation have been closed. This condition will exist when:

- (U//FOUO) Banking and investment accounts have been brought to a zero balance and closed. The bank statement must indicate that the account has been closed. If the

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statement does not indicate the account was closed, a certification signed by a case accountant must be attached to the zero balance bank statement;

- (U//FOUO) Expenditures have been vouchered to the satisfaction of the field office auditors;
- (U//FOUO) Remaining funds have been returned to CPCSU, FD;
- (U//FOUO) Security deposits, refunds, and other amounts from the operation have been collected and returned to CPCSU, FD;
- (U//FOUO) Inventoried and non-inventoried property have been properly accounted for or disposed of according to instructions from AMU, FD, and [redacted] and
- (U//FOUO) Other financial matters have been fully resolved.

b7E

(U//FOUO) An auditor's certification is required upon completion of the audit.

3.35.2. (U//FOUO) Congressional Financial Reports

(U//FOUO) The FBI is required to submit to Congress an annual financial report for all criminal [redacted] UCOs closed during each fiscal year, and for which [redacted] (excluding interest earned) exceeded [redacted] or total expenditures exceeded [redacted]

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(U//FOUO) [redacted]

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(U//FOUO) When a closed criminal [redacted] UCO meets congressional reporting criteria, the ASAC or a higher level official must submit an EC to the [redacted] and the Audit Unit, INSD. The EC must include the total amount received in [redacted] and the total amount of appropriated funds received and expended, including expenses processed through the TPD system with the [redacted] UCO as the case benefited (e.g. [redacted])

b7E

(U//FOUO) The Audit Unit, INSD, will determine if the investigation qualifies for a congressional financial report. The Audit Unit, INSD, will prepare the required report on an annual basis. It is essential that sound accounting practices and internal controls are implemented from the inception of each UCO to ensure the accuracy of the congressional reports.

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4. (U//FOUO) Procedures for Direct Advances

4.1. (U//FOUO) Wire Transfer Request (Direct Advance Funding)

(U//FOUO) All requests for wire transfers for direct advance funding require an approved EC detailing the following information:

- (U//FOUO) Amount,
- (U//FOUO) Bank name,
- (U//FOUO) Bank address,
- (U//FOUO) Bank account name,
- (U//FOUO) Bank's ABA routing number,
- (U//FOUO) Bank's official name (to whom the wire transfer should be directed),
- (U//FOUO) Official Bureau name of the SA(s) (who will pick up the funds) - [redacted] and [redacted]
- (U//FOUO) FBI contact telephone number.

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(U//FOUO) When applicable, the following special instructions should be clearly indicated on the EC:

- (U//FOUO) [redacted]

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- (U//FOUO) [redacted]

(U//FOUO) If a U.S. government check is requested instead of a wire transfer, the check will be sent to the attention of the field division head, who should ensure that the FM receives one copy of the check transmittal form. A request for an advance by [redacted]

b7E

(U//FOUO) All funds transferred directly into [redacted] provided the appropriate AG exemption has been obtained.

b7E

(U//FOUO) Upon completion of the wire transfer, the FM and program manager at FBIHQ will receive the Advice of Wire Transfer Form by e-mail, which includes the total amount, date, and wire transfer instructions.

4.2. (U//FOUO) Return of Direct Advance Funds

(U//FOUO) Direct advance funds can be remitted to CPCSU, FD, by converting the funds to a money order or cashier's check payable to the FBI when the amount to be returned is less than [redacted]. Amounts exceeding [redacted] are to be remitted using a wire transfer. Personal checks, cash, or currency are not acceptable. The fees associated with wiring funds, or the cost incurred in purchasing a money order or cashier's check must be charged to the operational case as miscellaneous expenditures.

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(U//FOUO) An EC, containing the following information, must be prepared by the case agent or a designated employee when returning direct advance funds to CPCSU, FD:

- (U//FOUO) Fiscal year of funds,
- (U//FOUO) Balance of advanced funds,
- (U//FOUO) [] amount,
- (U//FOUO) []
- (U//FOUO) Refundable deposits, paid prior to the current fiscal year,
- (U//FOUO) Refundable expenditures amount, previously reported as [] on voucher date,
- (U//FOUO) Other amounts,
- (U//FOUO) Total amount, and
- (U//FOUO) Include details to further describe amounts listed, if deemed necessary to ensure an accurate accounting of all funds remitted.

b7E

(U//FOUO) An FD-735 Form, clearly depicting the nature of the return of funds, including a complete description of the remittance, must be prepared and attached to the EC. A regular direct advance voucher or a zero amount voucher must be prepared and attached to the EC and FD-735 Form.

(U//FOUO) The approved return of funds package (EC, FD-735 Form, return of funds, and voucher) must be submitted to CPCSU, FD.

4.2.1. (U//FOUO) Direct Advance Less Than []

(U//FOUO) The process for returning a direct advance of less than [] follows.

b7E

4.2.1.1. (U//FOUO) Case Agent or Designated Employee

(U//FOUO) The case agent or a designated employee:

- (U//FOUO) Converts funds to a money order or cashier's check payable to the FBI, and
- (U//FOUO) Prepares a "return of funds" EC as described in Section 4.2. of this PG.

4.2.1.2. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) The case accountant or a designated employee:

- (U//FOUO) Vouchers cost incurred in purchasing a money order or cashier's check as a miscellaneous expenditure,
- (U//FOUO) Prepares the direct advance voucher package (FD-735 Form, FD-736 Form, FD-37 Form) or a zero amount voucher, if no voucher is scheduled (i.e., no expenditures are to be reported),
- (U//FOUO) Attaches the money order or cashier's check to the front of the direct advance voucher, and
- (U//FOUO) Submits the direct advance voucher package and the EC to the supervisor.

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4.2.1.3. (U//FOUO) Supervisor

(U//FOUO) The supervisor reviews and approves the FD-37 Form and EC, then submits the direct advance voucher package to the ASAC or a higher level official for approval.

4.2.1.4. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official reviews and approves the FD-37 Form and EC, then forwards approved package to the case accountant or a designated employee.

4.2.1.5. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) The case accountant or a designated employee then submits the approved FD-735 Form, FD-736 Form, FD-37 Form, return of funds, and EC to CPCSUS, FD.

4.2.2. (U//FOUO) Return of Direct Advances of [REDACTED]

(U//FOUO) [REDACTED] or operational funds originally wired in the name of an FBI employee's true name or to an overt bank account can be remitted by wire transfer. The process of returning direct advances of [REDACTED] or more follows.

b7E

4.2.2.1. (U//FOUO) Case Agent or Designated Employee

(U//FOUO) A case agent or a designated employee:

- (U//FOUO) Executes a wire transfer from a Federal Reserve System member bank through the FEDLINE System to:

U.S. Treasury
Federal Reserve Bank
New York City
U.S. Treasury Code [REDACTED]

to [REDACTED]

b7E

(Information in quotes must be provided verbatim),

- (U//FOUO) Instructs the bank to include in the third party information section of the FEDLINE funds transfer message format, a description of the return in the following format:

- (U//FOUO) Field office abbreviation,
- (U//FOUO) Field office file number (unless classified),
- (U//FOUO) Name of remitting SA,
- (U//FOUO) A brief statement describing the funds being returned (up to a maximum of 300 characters):

(U//FOUO) For example, the return of advanced funds and [REDACTED] should be described as follows:

(U//FOUO) [REDACTED]

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- (U//FOUO) Prepares the return of funds EC as described in Section 4.2. of this PG, and
- (U//FOUO) Submits the EC to the supervisor.

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4.2.2.2. (U//FOUO) Supervisor

(U//FOUO) The case agent or designated employee's supervisor then reviews and approves the EC, and forwards the EC to the ASAC or a higher level official.

4.2.2.3. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official reviews and approves the EC, then forwards the approved EC to the case agent or a designated employee.

4.2.2.4. (U//FOUO) Case Agent or Designated Employee

(U//FOUO) Once the EC is approved, the case agent or a designated employee faxes a copy of the bank wire transfer form and approved remittance EC to CPCSU, FD, to expedite the processing of the wire transfer and to notify FBIHQ that the funds were returned within the authorized time restrictions.

4.2.2.5. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) The case accountant or a designated employee next:

- (U//FOUO) Vouchers fees associated with the wire transfer as miscellaneous expenditures,
- (U//FOUO) Prepares the direct advance voucher package (FD-735 Form, FD-736 Form, FD-37 Form) or a zero amount voucher, if no voucher is scheduled (i.e., no expenditures are to be reported), and
- (U//FOUO) Submits the direct advance voucher package and a copy of the approved EC to the supervisor.

4.2.2.6. (U//FOUO) Supervisor

(U//FOUO) The supervisor then reviews and approves the FD-37 Form and submits the direct advance voucher package to the ASAC or a higher level official for approval.

4.2.2.7. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official will review and approve the FD-37 Form and forward the approved package to the case accountant or designated employee.

4.2.2.8. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) Once the approval occurs, the case accountant or a designated employee forwards the approved FD-735 Form, FD-736 Form, FD-37 Form, a copy of the bank wire transfer return of funds, and EC to CPCSU, FD.

4.2.3. (U//FOUO) Return of Direct Advances of [REDACTED]

(U//FOUO) Prior to returning funds that were originally wired [REDACTED] the SA remitting the funds must contact CPCSU, FD, for instructions. These funds should never be [REDACTED]

b7E

4.3. (U//FOUO) Managing Imprest Petty Cash Fund

The petty cash amount should be determined based upon the purpose of the petty cash fund by the individual responsible for the direct advance. The petty cash custodian is accountable for

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managing the cash on an imprest basis. The petty cash should be liquidated or replenished (at least) on a monthly basis to ensure expenses are vouchered in a timely manner.

4.3.1. (U//FOUO) Case Agent or Designated Employee

(U//FOUO) The case agent or a designated employee writes checks to establish a petty cash fund (checks must be made payable to an individual, usually the petty cash custodian, and never to "cash").

(U//FOUO) Once the petty cash fund is established, the case agent or a designated employee replenishes petty cash, no less than monthly, by verifying that the total receipts plus cash on hand equal the authorized balance and provides receipts to the case accountant or designated employee.

4.3.2. (U//FOUO) Petty Cash Custodian

(U//FOUO) The petty cash custodian:

- (U//FOUO) Maintains interim receipts issued to support advances from the petty cash fund,
- (U//FOUO) Collects receipts for expenditures until the end of the month, or when a minimum cash balance is reached, whichever occurs first,
- (U//FOUO) Retains receipts with petty cash until the expenses are reimbursed, and
- (U//FOUO) Submits receipts to the case agent or designated employee to liquidate or replenish the petty cash.

4.3.3. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) The case accountant or a designated employee maintains receipts, for inclusion on the next regularly scheduled voucher, as expenses of the current period.

5. (U//FOUO) Procedures for Refund Checks

5.1. (U//FOUO) Undercover Refund Checks

(U//FOUO) Undercover refund checks may be generated for overpayment of [REDACTED]

b7E

[REDACTED] All refund checks must be converted to a money order or cashier's check payable to the FBI within [REDACTED] business days of receipt.

(U//FOUO) A refund EC should be prepared detailing the following:

- (U//FOUO) [REDACTED] for the refund,
- (U//FOUO) Amount of the refund,
- (U//FOUO) Case ID number,
- (U//FOUO) Fiscal year of funds,
- (U//FOUO) [REDACTED] and budget category of the expense, and
- (U//FOUO) Information further describing the refund, if deemed necessary, to ensure an accurate accounting.

b7E

(U//FOUO) Personal checks, cash, or currency are not acceptable. The cost incurred in purchasing a money order or cashier's check must be charged to the operational case as miscellaneous expenditures.

5.1.1. (U//FOUO) Confidential TPD Refunds

(U//FOUO) All confidential TPD refunds require Employee/Invoice Maintenance (EIM) and Document Control List (DCL) print screens from the Intranet Financial Management System (IFMS).

(U//FOUO) For detailed procedures on confidential TPD refunds, refer to the DSUG.

5.1.2. (U//FOUO) Direct Advance Refunds

(U//FOUO) Refund checks received in the same fiscal year in which the [REDACTED]

b7E

AG. The amount deposited must be reflected on the FD-735 Form, clearly depicting the nature of the refunds, including a complete description of the reason for the refund check. The FD-735 Form must be submitted on the next scheduled direct advance voucher.

(U//FOUO) Refund checks received for prior year expenses may be deposited into the [REDACTED]

b7E

[REDACTED] The amount deposited must be reflected on the FD-735 Form, clearly depicting the nature of the refund, including a complete description of the reason for the refund check. The FD-735 Form must be submitted on the next scheduled direct advance voucher.

(U//FOUO) Refund checks received after the direct advance case is closed (with no outstanding advance) must be converted to a money order or cashier's check payable to the FBI and must be submitted to CPCSUS, FD, with the approved documentation, within [REDACTED] business days of receipt.

b7E

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(U//FOUO) The procedures to return direct advance refunds are as follows:

5.1.2.1. (U//FOUO) Case Agent or Designated Employee

(U//FOUO) The case agent or a designated employee:

- (U//FOUO) Converts the refund check to a money order or cashier's check payable to the FBI,
- (U//FOUO) Prepares a "refund check" EC, as described in Section 5.1. of this PG, and
- (U//FOUO) Submits the EC and refund check to the supervisor.

5.1.2.2. (U//FOUO) Supervisor

(U//FOUO) The supervisor reviews and approves the EC, then forwards the EC and refund check to the ASAC or a higher level official.

5.1.2.3. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official reviews and approves the EC, then forwards the EC and refund check to the case agent or designated employee.

5.1.2.4. (U//FOUO) Case Agent or Designate Employee

(U//FOUO) The case agent or a designated employee forwards the approved EC and refund check to CPCSUS, FD, within ☐ business days of the receipt of refunds.

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5.1.2.5. (U//FOUO) Case Accountant or Designated Employee (if applicable)

(U//FOUO) When applicable, the case accountant or a designated employee:

- (U//FOUO) Vouchers cost incurred in purchasing a money order or cashier's check as miscellaneous expenditures,
- (U//FOUO) Prepares the direct advance voucher package (FD-735 Form, FD-736 Form, FD-37 Form) or a zero amount voucher, if no voucher is scheduled (i.e., no expenditures are to be reported), and
- (U//FOUO) Submits the direct advance voucher package and EC to the supervisor.

5.1.2.6. (U//FOUO) Supervisor

(U//FOUO) The supervisor will review and approve the FD-37 Form and submit the direct advance voucher package to the ASAC or a higher level official for approval.

5.1.2.7. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official will receive the direct advance voucher, review and approve the FD-37 Form, then forward the approved package to the case accountant or designated employee.

5.1.2.8. (U//FOUO) Case Accountant or Designated Employee

(U//FOUO) Upon final approval, the case accountant or a designated employee will submit the approved FD-735 Form, FD-736 Form, FD-37 Form, and a copy of the refund check EC to CPCSUS, FD.

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5.1.3. (U//FOUO) Undercover Refund Checks [REDACTED]

(U//FOUO) For undercover refund checks [REDACTED] that cannot be converted to a money order or cashier's check, CPCSUS, FD, must be contacted within [REDACTED] business days of receipt to coordinate the check negotiation with the [REDACTED]
[REDACTED]

b7E

5.1.4. (U//FOUO) Other Refunds

(U//FOUO) Funds may be received for a variety of other reasons, including restitution received as part of the sentence given to a defendant, found money, etc. Such funds must be converted to a money order or cashier's check payable to the FBI and forwarded to CPCSUS, FD, within [REDACTED] days of receipt. The money order or cashier's check must be accompanied by an EC approved by an ASAC that clearly and succinctly describes the origin of the funds. CPCSUS, FD, will process the refund as miscellaneous income to be returned to the U.S. Treasury.

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5.1.4.1. (U//FOUO) Manufacturer Rebates

(U//FOUO) Retaining manufacturer rebates is considered an augmentation of appropriated funds. Therefore, all manufacturer rebates must be converted to a money order or cashier's check payable to the FBI, and with an EC approved by an ASAC which clearly and succinctly describes the origin of the funds, be submitted to CPCSUS, FD, within [REDACTED] days of receipt. CPCSUS, FD, will process the refund as miscellaneous income to be returned to the U.S. Treasury.

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6. (U//FOUO) Procedures for Direct Advance Vouchers

(U//FOUO) Expenditures for each case receiving direct advance funds must be reported on a monthly Advance Blue Slip Form (FD-37). A direct advance voucher is required for each month that advanced funds remain outstanding, even if no expenditures were made (zero amount voucher). The direct advance voucher must include the FD-37 Form, Voucher Reconciliation Form (FD-735), and Itemization of Expenditure Form (FD-736). Improper categorization of expenditures on the direct advance voucher could lead to insufficient funds in a critical budget category.

(U//FOUO) If an off-line, automated system is used to prepare data for voucher submission, it must produce an exact replica of each form required, or information must be entered manually on approved forms. Additional computer reports, trial balances, etc., should not be enclosed in voucher submissions.

(U//FOUO) Direct advance vouchers are due to CPCSUS, FD, by the [redacted] following the calendar month in which expenditures were paid, except in certain cases where extensions have been granted by CPCSUS, FD.

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(U//FOUO) Each voucher should be routed through the appropriate financial personnel (e.g., case accountant, SAA, FA, FM) for review prior to submission to FBIHQ. The process for submission of direct advance vouchers follows.

6.1. (U//FOUO) Accountable Officer/Case Agent

(U//FOUO) The accountable officer/case agent:

- (U//FOUO) Ensures monthly direct advance vouchers are prepared in a timely manner,
- (U//FOUO) Arranges original receipts and certifications in order, by date paid or type of expenditure (original receipts may be substituted with copies in certain limited situations, such as [redacted] receipts), and
- (U//FOUO) Submits receipts to the case accountant/FA to prepare direct advance vouchers.

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6.2. (U//FOUO) Case Accountant/FA

(U//FOUO) The case accountant/FA:

- (U//FOUO) Ensures monthly expense vouchers are prepared in a timely manner,
- (U//FOUO) Assigns a sequential item number to the documentation supporting each expenditure,
- (U//FOUO) Complies with the proper methods to record all receipts/invoices for confidential advance payments on the FD-736 Form,
- (U//FOUO) Prepares and signs the FD-735 Form,
- (U//FOUO) Prepares the FD-37 Form,
- (U//FOUO) Reviews the direct advance voucher for mathematical accuracy, completeness, and compliance with rules and procedures,

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- (U//FOUO) Provides copies of pertinent documentation supporting the purchase of property that is inventoried to the property custodian,
- (U//FOUO) Submits the direct advance voucher package to the appropriate official for review and approval on the FD-37 Form, and
- (U//FOUO) Ensures the original, signed direct advance vouchers, accompanying forms, original receipts for the expenditures, and any other supporting documentation are properly filed in the appropriate case financial subfile.

6.3. (U//FOUO) Supervisor

(U//FOUO) The supervisor then:

- (U//FOUO) Reviews the monthly direct advance vouchers and supporting documentation to ensure accuracy of the amount reported,
- (U//FOUO) Ensures that expenditures made in conjunction with UCOs are reasonable and in keeping with the stated objective of the operation,
- (U//FOUO) Signs the FD-736 Form and FD-37 Form, and
- (U//FOUO) Submits the direct advance voucher package to the ASAC or a higher level official for review and approval on the FD-37 Form.

6.4. (U//FOUO) ASAC or Higher Level Official

(U//FOUO) The ASAC or a higher level official then:

- (U//FOUO) Ensures that expenditures made in conjunction with UCOs are reasonable and in keeping with the stated objective of the operation,
- (U//FOUO) Reviews the direct advance voucher package,
- (U//FOUO) Signs the FD-37 Form, and
- (U//FOUO) Returns the completed, signed direct advance voucher package to the appropriate individual.

6.5. (U//FOUO) Financial Manager (if applicable)

(U//FOUO) When applicable, the FM ensures TPD personnel post payments to and into appropriate ledgers.

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6.5.1. (U//FOUO) Mailing Instructions

(U//FOUO) All direct advance voucher documents, including refunds, manufacturer rebates, financial statement reports, and other correspondence, are to be forwarded by registered mail (separated from regular Bureau mail), or to FBIHQ.

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(U//FOUO) A copy of a signed direct advance voucher package and a Return Receipt Card Form (FD-441) must be enclosed in an inner and outer envelope addressed to: AD, Finance Division, Attention: Accounting Section, CPCSU, Room

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(U//FOUO) Record the registered mail number in the of the case file.

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6.6. (U//FOUO) Direct Advance Voucher Forms

(U//FOUO) Internal forms and records used in support of the direct advanced funds are designed for simplicity and ease of understanding. Simple instructions are provided on the forms to assist the user in completing them correctly. The forms are intended to be completed at the time the transactions occur. Each monthly direct advance voucher must include the documents described below, assembled in the order listed.

6.6.1. (U//FOUO) Advanced Blue Slip Form (FD-37)

- **(U//FOUO) Field Office:** Enter the field office name.
- **(U//FOUO) File Number:** Enter the file number, including alpha designation where appropriate. If the payment is to a [] enter the file number of the case(s) benefiting from the expenses or services for which payment is being made. This information is essential to the proper posting of confidential expense information and must be included. b7E
- **(U//FOUO) Authority:** Enter "SAC" for all payments to [] or operational expenditures which fall within the field division head authority limit for each case, or reference the Bureau communication and date which authorized expenditures that exceed the field division head's authority. b7E
- **(U//FOUO) Period covered:** The period covered by this payment may be the single day that payment was made, as in the case of a payment for the purchase of supplies, or a number of days during which service was provided, as in the case of a [] b7E
[] Indicate if the payment is to be made by another field office and if so, enter the name of the field office.
- **(U//FOUO) Payment:** [] Check "yes" if this Blue Slip includes [] to [] b7E
[] This information is essential to ensure that the FBI is properly reimbursed by the Assets Forfeiture Fund.
- **(U//FOUO) Category:** Check the budget category which best describes the case to which the voucher pertains.
- **(U//FOUO) Item Number and Amount:** Total the expenditures listed on the Itemization of Expenditures Form (FD-736) by type and enter the total amount in the amount column next to the item number.
- **(U//FOUO) Subtotal Amount:** Total all expenses provided in the amount column.
- **(U//FOUO) Proceeds Offset:** [] Enter the amount of proceeds used to offset expenses, from the FD-736 Form, in the space provided next to [] if applicable. b7E
- **(U//FOUO) Evidence:** [] Total the expenditures listed on the FD-736 Form by the [] type and enter the total amount in the space provided next to item [] in the amount column, if applicable. b7E
- **(U//FOUO) Proceeds Offset:** [] Enter the amount of proceeds used to offset the [] evidence, if applicable. b7E
- **(U//FOUO) Subtotal Amount:** Enter the sum of the subtotal for all expenses minus proceeds offset.

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- (U//FOUO) [redacted]
[redacted]
[redacted] Under normal conditions [redacted]
[redacted]
- (U//FOUO) **Proceeds Offset:** Enter the amount of proceeds used to offset [redacted]
[redacted]
- (U//FOUO) **Total amount:** Enter the total of all expenditures reported on the Advanced Blue Slip Form [redacted]
[redacted] Ensure that proper documentation is enclosed to show that expenditure amounts entered on lines marked "*" were properly authorized.

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6.6.2. (U//FOUO) **Voucher Reconciliation Form (FD-735)**

- (U//FOUO) **Field Office:** Enter the field office name.
- (U//FOUO) **File Number:** Enter the file number of the case(s) benefiting from the expenses or services for which payment is being made.
- (U//FOUO) **Period Covered:** Enter the period of the voucher being submitted.
- (U//FOUO) Complete the following numbered items:
 1. (U//FOUO) **Cash Balance:** Enter the cash balance at the beginning of the current voucher reporting period. (This amount should be equal to the cash balance reported at the end of the previous voucher reporting period or zero if this is the initial voucher.)
 2. (U//FOUO) **Direct Advances received:** Enter the total amount of direct advances received from FBIHQ during the current voucher period.
 3. (U//FOUO) [redacted] received: Enter the total amount of direct advances for [redacted]
[redacted] received from FBIHQ during the current voucher period.
 4. (U//FOUO) [redacted] received: Enter the total amount of direct advances for [redacted]
[redacted] received from FBIHQ during the current voucher period.
 5. (U//FOUO) [redacted] Enter the total amount of [redacted] during the current voucher period.
 6. (U//FOUO) [redacted] Enter the total amount of [redacted]
[redacted] during the current voucher period.
 7. (U//FOUO) **Security Deposits returned:** Enter the total of all security deposits during the current voucher period.
 8. (U//FOUO) **Prior period expense refunds (current FY):** Enter the total of all prior period expenses that were refunded during the current voucher period.
 9. (U//FOUO) **Other (specify):** Itemize other sources of funds received during the current voucher period.

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10. (U//FOUO) **Total Receipts – current period:** Add all entries for lines 2 through 9.
11. (U//FOUO) **Total Funds Available:** Add lines 1 and 10 to determine the total funds available.
12. (U//FOUO) **Amount of this voucher:** Enter the amount of expenditures reported in this voucher. This amount must agree with the bottom total of the FD-736 Form on line 8b of the voucher.
13. (U//FOUO) [redacted] Enter the total amount of [redacted]
[redacted] during the voucher period. (Note: This amount must agree with the FD-736 Form which applies receipts to offset expenditures before using advanced funds.) b7E
14. (U//FOUO) **Prior expenses:** Enter the amount of prior expense offsets for refunds being returned that are being used to offset expenses. The funds must have been returned during the current fiscal year.
15. (U//FOUO) [redacted] Enter the amount of [redacted]
[redacted] to the U.S. Treasury, either by a check attached to the voucher or by a FEDLINE wire transfer. b7E
16. (U//FOUO) [redacted] Enter the amount of [redacted]
[redacted] the U.S. Treasury either by a check attached to the voucher or by a FEDLINE wire transfer. b7E
17. (U//FOUO) [redacted] Enter the amount of [redacted]
[redacted] the U.S. Treasury either by a check attached to the voucher or by a FEDLINE wire transfer. b7E
18. (U//FOUO) **Security Deposits:** Enter the amount of security deposits returned that are being remitted to the U.S. Treasury either by a check attached to the voucher or by a FEDLINE wire transfer.
19. (U//FOUO) **Other (specify):** Itemize other remittances being sent to FBIHQ either by a check attached to the voucher or by a FEDLINE wire transfer.
20. (U//FOUO) **Subtotal:** Add lines 15 through 19.
21. (U//FOUO) **Total Deductions:** Add lines 12, 13, 14, and 20.
22. (U//FOUO) **Cash Balance, End of Period:** Subtract the total deductions on line 21 from total funds available on line 11.
23. (U//FOUO) **Petty Cash:** Enter the total amount of petty cash on hand plus interim receipts for petty cash not vouchered, as of the last day of the reporting period.
24. (U//FOUO) **Cash in Safe:** Enter the total amount of cash held in the supervisor's safe on the last day of the reporting period.
25. (U//FOUO) **Cash in bank:** Enter the total amount of cash held in all bank accounts (savings and checking) on the last day of the reporting period.
26. (U//FOUO) **Outstanding advances to employees:** Enter the total of all outstanding advances to SAs on the last day of the reporting period.

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27. (U//FOUO) **Outstanding advances** [] Enter the total of all outstanding advances [] on the last day of the reporting period. b7E
28. (U//FOUO) **Other (specify):** Itemize any other forms of cash (e.g., investments, safe-deposit box contents).
29. (U//FOUO) **Cash Balance, End of Period:** Add entries for lines 23 through 28. This amount should equal the amount on line 22.
30. (U//FOUO) **Direct Advances Balance:** Enter the balance of all advanced funds remaining at the end of the period.
31. (U//FOUO) [] **Balance:** Enter the balance of all [] funds remaining at the end of the period. b7E
32. (U//FOUO) [] **Balance:** Enter the balance of all [] remaining at the end of the period. b7E
33. (U//FOUO) [] **Balance:** Enter the balance of all [] remaining at the end of the period. b7E
34. (U//FOUO) [] **Balance:** Enter the balance of all [] remaining at the end of the period. b7E
35. (U//FOUO) **Other (specify):** Enter the total of all other funds remaining at the end of the period.
36. (U//FOUO) **Cash Balance, End of Period:** Add lines 30 through 35. This amount should equal line 22.

(U//FOUO) The individual who prepares the FD-735 Form must verify the balance of cash on hand through a physical cash count (on a monthly basis), and sign and date the bottom of the form to certify the performance and accuracy of the cash reconciliation.

6.6.3. (U//FOUO) **Itemization of Expenditures Form (FD-736)**

1. (U//FOUO) Enter the abbreviated case title.
2. (U//FOUO) Enter the field office file number.
3. (U//FOUO) Check the type of voucher (TPD system or advance).
4. (U//FOUO) Enter the period covered by the Advanced Blue Slip Form.
5. (U//FOUO) Enter sequential item numbers corresponding to item numbers on documentation being submitted to support each expenditure.
6. (U//FOUO) Enter the payment date.
7. (U//FOUO) Enter the name of the payee:
 - a. (U//FOUO) For payments to [] enter the [] (Note: TPD transactions should be vouchered separately). b7E
 - b. (U//FOUO) For payments to [] do not enter the name of the [] instead, enter the name of the ultimate recipient and the purpose of each payment charged.

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8. (U//FOUO) Enter the purpose for each expenditure.
9. (U//FOUO) Enter the that best describes the purpose or nature of the expenditure
10. (U//FOUO) Enter the amount of each expenditure
11. (U//FOUO) Enter the total amount of all expenditures reported, net of prior period adjustments. If more than one page is required, enter a cumulative subtotal on this line and carry the amount forward to the first line of the following page.
12. (U//FOUO) Enter the amount of to be applied, if an exemption has been approved to offset expenditures with income. This amount should never be greater than the total amount of all expenditures, even if more income was received during the period, and should equal the amount entered on the Advanced Blue Slip Form next to
13. (U//FOUO) Subtract PGI used to offset expenditures from total expenditures to determine the net expenditures to be applied against outstanding advances. This amount should never be a negative number and should equal the total amount entered on the Advanced Blue Slip Form.

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6.6.3.1. (U//FOUO) Recording Period Adjustments

(U//FOUO) Adjustments for direct advance vouchers, such as refunds of payments previously vouchered and corrections to errors made on previously submitted vouchers, should be recorded on the FD-736 Form as follows:

1. (U//FOUO) Subtotal expenditures for the current voucher period on the last page of the FD-736 Form.
2. (U//FOUO) Itemize adjustments, date, payee, purpose, and the expenditure types previously charged.
3. (U//FOUO) Enter the credit amount.
4. (U//FOUO) Follow steps 11 through 13 listed above (in Section 6.6.3 of this PG).

6.7. (U//FOUO) Cash Count Verification Form (FD-917)

(U//FOUO) A Cash Count Verification Form (FD-917) must be completed on a monthly basis to verify that a physical cash count was performed for all TPD system funds, outstanding direct advanced funds, emergency funds, The physical cash count must be conducted by someone other than the custodian of the cash, in the presence of the custodian, and the counts must be documented using the FD-917 Form.

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(U//FOUO) The employee responsible for conducting the internal audit(s) must also verify the cash balance(s) through a physical cash count(s) during each audit. The completed form must be maintained by the field office with the appropriate voucher or internal audit work papers. Complete the FD-917 Form as follows:

1. (U//FOUO) Enter the total number for each currency denomination.
2. (U//FOUO) Enter the total dollar amount for each currency denomination.

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3. (U//FOUO) Enter the sum of the total dollar amount of all currency denominations on the subtotal line.
4. (U//FOUO) Enter the total number of each coin denomination.
5. (U//FOUO) Enter the total dollar amount for each coin denomination.
6. (U//FOUO) Enter the sum of the total dollar amount of all coin denominations on the subtotal line.
7. (U//FOUO) Enter the total cash on hand (both currency and coin denominations added together.)
8. (U//FOUO) Enter the total of all outstanding receipts on hand.
9. (U//FOUO) Enter the sum of all cash and receipts on hand.
10. (U//FOUO) Enter the date the cash count was performed.
11. (U//FOUO) Enter the name of the individual who counted the cash.
12. (U//FOUO) Obtain the custodian of fund's signature and the date the count was witnessed.
13. (U//FOUO) Enter the total of cash and receipts on hand.
14. (U//FOUO) Obtain the signature and date of the auditor or preparer of the FD-735 Form.

6.8. (U//FOUO) Receipts for Confidential Expenditures

(U//FOUO) The expenditure of confidential funds must be adequately supported by an original receipt. Copies of the receipt may be submitted in place of the original receipt in unusual circumstances, such as when an original receipt is maintained for warranty purposes.

(U//FOUO) The original receipt must include the following information:

- (U//FOUO) Date: The date payment was made.
- (U//FOUO) Amount paid: The actual amount paid, which should be included on the receipt.
- (U//FOUO) Payee: The identity of the ultimate recipient of the payment. The vendor city and state must be stated on the receipt or provided by the individual who incurred the expense. If a credit card is used, the entity receiving payment from the credit card company is the payee, not the credit card company.
- (U//FOUO) Proof of payment: Evidence in the form of a stamp or the word "paid" written across the face of the document may be made only by the vendor or the individual making the payment to show that payment was made. If payment was made by check, the check number and date paid should be clearly marked.
- (U//FOUO) Reason for expenditure: A description of items purchased or of services provided and a brief justification statement regarding their necessity.

(U//FOUO)

The use of an FBI employee's true

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name is not prohibited: [REDACTED]

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(U//FOUO) [REDACTED]

[REDACTED] Requesting a receipt is a normally accepted business
and personal practice. [REDACTED]

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e.

(U//FOUO) An original receipt, a copy of a receipt, or a certification of expenditures in lieu of a receipt should be treated as evidence, since it is reasonable proof that a financial transaction took place. Consequently, receipts or certifications should not be altered in any way unless the originator of the receipt or certification initials the change(s) and additional information is provided explaining the alteration.

(U//FOUO) When confidential payments are made with money orders or cashier's checks, employees must provide a copy of the money order/cashier's check and the original invoice marked "paid" as proof of payment, with the FD-794 Form. A money order stub is not acceptable as proof of payment.

(U//FOUO) Noncompliance to these rules regarding receipts and/or certifications will result in confidential expenditures being suspended for correction by the field office's auditor. All suspended receipts must be corrected and submitted to the field office's auditor within [REDACTED] days of the notification.

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6.8.1. (U//FOUO) Certification of Expenditures

(U//FOUO) A certification of expenditures must include all information required for a proper receipt, a statement explaining why an original receipt was not obtainable, and must be signed by the person making the payment and witnessed by an SA, whenever possible. The following are examples where a certification of expenditures might be necessary:

- (U//FOUO) A [REDACTED]

- (U//FOUO) [REDACTED]

- (U//FOUO) Name and date the money was received from the SA,

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- (U//FOUO) [REDACTED]

- (U//FOUO) [REDACTED]

- (U//FOUO) [REDACTED]

- (U//FOUO) [REDACTED]

(U//FOUO) Note: FD-302 Forms are required to support expenditures [REDACTED]

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6.8.2. (U//FOUO) Receipt for Funds on [REDACTED]

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(U//FOUO) Each operation that receives funds [REDACTED] must provide controls to ensure that all funds received are properly recorded and accurately reported. The expenditures should be supported by an EC or other documentation maintained in the appropriate subfile. Each receipt of funds should be recorded by retaining a copy of a receipt that includes the:

- (U//FOUO) Date the funds were received,
- (U//FOUO) Name of the individual from whom the funds were received,
- (U//FOUO) Dollar amount received,
- (U//FOUO) Reason for payment,
- (U//FOUO) Description on whether the payment is "partial" or "in full", and
- (U//FOUO) Signature of the recipient.

7. (U//FOUO) Accounting Books and Records

7.1. (U//FOUO) Accounting Recordkeeping

(U//FOUO) The establishment of budgets and maintenance of proper accounting record systems, allowing the comparison of planned and actual expenses, is the key to managing and controlling expenditures. In addition, funding significant operations with cash increases the need for strong internal controls, which include timely and accurate accounting records. These recordkeeping systems support the FBI official accounting records (FMS) when the direct advance vouchers are recorded in FMS.

(U//FOUO) Because of the requirement to report certain UCOs to outside agencies, including the U.S. Congress, and to support the management of significant operations, the following operations must maintain complete accounting recordkeeping systems and books and records:

[REDACTED]

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7.1.1. (U//FOUO) Standardized Accounting System

(U//FOUO) The books and records for the operations mentioned above must comply with the accounts listed in the [REDACTED]. The [REDACTED] outlines account classifications and includes descriptions of the asset, equity, revenue, and expenditure accounts that are to be used in confidential operations.

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(U//FOUO) Books and records are not required for confidential cases, [REDACTED] UCOs that are not anticipated to become [REDACTED] UCOs. The chart of accounts used to report expenditures on the FD-794 Form and direct advance vouchers must conform to the [REDACTED]

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(U//FOUO) Each account specified in the [REDACTED] may be expanded, through the use of a secondary numbering system, to allow for multiple accounts that are similar in nature. The secondary system must use a sequential number for each subclassification of the account, separated from the primary number by a decimal point. Every account must be established using a subclassification number when initially setting up accounting records to provide for flexibility in the event that new accounts must be added as the operation develops.

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(U//FOUO) For example, if an operation has several checking accounts, each account can be assigned a unique account number in the ledger by using [REDACTED] for the [REDACTED] [REDACTED] and so on. Total funds in checking accounts can then be summarized by the [REDACTED]

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(U//FOUO) The [REDACTED] is located on the TPD website under the FD, CPCSU.

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7.1.2. (U//FOUO) Basis of Accounting

(U//FOUO) All books and records must be kept on a cash basis of accounting rather than an accrual basis. The cash basis is a simpler accounting method and the basis upon which confidential expenditures must be vouchered.

(U//FOUO) The accrual basis of accounting should be used only when a formal set of accounting records is required to support [REDACTED]

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[Redacted]

b7E

(U//FOUO) When it is determined that an operation will not adapt to the [Redacted] prior approval to establish a different chart of accounts must be obtained from the substantive desk at FBIHQ and [Redacted] CID. The need for a second set of books does not constitute justification, per se, for a different accounting system.

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(U//FOUO) The cash basis accounting records are still required to support the actual financial transactions of the [Redacted] operation. The accrual basis accounting records must be maintained separately from the cash basis accounting records.

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7.1.3. (U//FOUO) Books and Records

(U//FOUO) General and subsidiary ledger accounts established in manual books and records maintained by field offices must be consistent with the [Redacted] established in FMS.

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(U//FOUO) Supporting documentation, such as original invoices and certifications, must be attached to an FD-794 Form and direct vouchers. Supporting documentation is reviewed by the appropriate supervisor prior to certification and is retained by the field office in a manner that allows for tracing each transaction from the general ledger to the point of origin.

(U//FOUO) Copies of documentation provided by voucher preparers should be retained in support of property inventory records.

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(U//FOUO) The following books and records, which are required for [Redacted] operations, must be maintained for six years and three months from the closing of a case or until the FD or INSD notifies the field office.

7.1.3.1. (U//FOUO) Cash Disbursements (CD) Journal (Expense Ledger)

(U//FOUO) The CD Journal is used to record all cash expenditures for an operation. Each disbursement must be recorded by entering the date, payee, check number, and amount under the appropriate disbursement source and expense account columns.

(U//FOUO) Separate columns in the CD Journal should be used to post recurring disbursements of the operation. Other expenditures that occur infrequently should be recorded in a separate column entitled, "Other Expenses and Debits," and posted separately to the applicable general ledger accounts. Each column and account should be posted to the general ledger on a monthly basis.

7.1.3.2. (U//FOUO) Cash Receipts (CR) Journal

(U//FOUO) The CR Journal is used to record all cash receipts for an operation. All direct advances from FBIHQ, gross receipts from operations, [Redacted] and all other receipts of funds, regardless of the source, should be posted to this journal.

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(U//FOUO) Examples of receipts common to UCOs include: [Redacted]

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[Redacted]

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(U//FOUO) Separate columns in the CR Journal should be used to post recurring sources of income. [redacted] and security deposit refunds should be segregated from other types of income. Infrequent sources of income should be recorded in one column entitled "Other Income and Credits" and posted individually to the general ledger on a monthly basis.

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7.1.3.3. (U//FOUO) General Journal (GJ)

(U//FOUO) The General Journal is used to record only those entries which cannot be recorded in either the CR or CD Journals. Common entries to the General Journal include corrections of errors, adjusting entries, and closing entries.

7.1.3.4. (U//FOUO) General Ledger (GL)

(U//FOUO) The general ledger consists of a group of accounts used to classify, record, and summarize financial transactions. Each operation required to keep books and records is to maintain a separate general ledger in the manner prescribed in this PG.

(U//FOUO) General ledger accounts are to be established to facilitate the preparation of periodic financial statements, which follow a uniform and comparable format in presenting all assets, liabilities, equity, income, and expenses of the operation, using the general accounts and account numbers listed below:

Account Type	Account Number Series
Assets	[redacted]
Equity	[redacted]
Income/Revenue	[redacted]
Expenses	[redacted]

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7.1.3.5. (U//FOUO) Accountable Property Register

(U//FOUO) The accountable property register is used to record all nonexpendable property acquisitions. In situations where [redacted] are used to acquire nonexpendable property, a separate APR must be used.

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(U//FOUO) Each entry must include a description of the property item acquired, including model and serial number, if available; the assigned barcode identification number; the date purchased; and the amount paid. A posting reference column is also essential to establish the audit trail to the Cash Disbursement Ledger.

7.1.3.6. (U//FOUO) Property Management Application [redacted]

(U//FOUO) The property custodian must place nonexpendable property of [redacted] or greater in the [redacted] and flag the property as confidential. The confidential flag is required for property purchased with case funds, property forfeited, or property abandoned and used for [redacted] or [redacted] UCOs. In addition, the following property items are to be captured in [redacted] regardless of the dollar value: central processing units; [redacted] devices with audio/video/data recording and playback features; firearms; jewelry; laptops and related equipment; computer servers, two-way radios; and watches with communications and synchronization capabilities.

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7.1.3.7. (U//FOUO) Security Deposit Register

(U//FOUO) The Security Deposit Register is used to record all payments of refundable security deposits. Each entry should include the identity of the payee holding the deposit, the nature of the deposit (refundable or nonrefundable), the date paid, and the amount paid. A posting reference column is also essential to establish the audit trail to the Expense Ledger. Security deposits should be posted to the proper expense ledger, (e.g., rent expense, utilities expense), not the asset account to which the deposit was made. Record and cross-reference each entry in the Security Deposit Register to the Cash Disbursement Journal-Expense Ledger at the end of the month. If a deposit is not returned or applied to the final month, documentation must be provided by the lessor.

(U//FOUO) For those operations that do not require a formal set of books and records, the accountable property register and/or the security deposit register must be kept and physically maintained at the top of the case financial subfile.

7.1.3.8. (U//FOUO) Posting Procedures

(U//FOUO) Posting references, such as shorthand or symbolic alphanumeric notations, should be used to establish a proper audit trail and to direct the reader of accounting records to the source of posted information. References should be included in all journals and ledgers so that each entry is cross-referenced from journal to ledger and vice versa. References generally refer to the name of a particular ledger or record book and the page in that book where the entry can be found.

(U//FOUO) Using the general ledger as an example, an entry to be found on page 1 would be referenced in the CD Journal as GL1. The corresponding entry in the general ledger would be referenced as CD1 to show that the entry originated from page one of the CD Journal.

7.1.3.9. (U//FOUO) Posting Sequence

(U//FOUO) Accounting transactions originate from source documents which support entries to journals (CD, CR, or GJ). The General Journal must be posted to the general ledger on a daily basis. Other journal postings to the general ledger are required monthly.

(U//FOUO) Once all journals have been posted to the general ledger, a "Trial Balance" is prepared to prove the equality of all debit and credit balance accounts. When the general ledger is in balance, financial statements can be prepared, including a Balance Sheet and Budget Performance Statement.

7.1.4. (U//FOUO) Automated Accounting System

(U//FOUO) Field offices are encouraged to use automated accounting systems which justify the accounting requirements specified in this PG. The purchase of the software may be made using confidential funds; however, all procurement regulations must be followed.

(U//FOUO) The software must be capable of managing the books and records of multiple UCOs and, if applicable, configured to produce the required forms and ledgers as required in this PG. If the software is not capable of producing the required forms and ledgers, these forms must be prepared manually.

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8. (U//FOUO) Quarterly Financial Statements

8.1. (U//FOUO) Financial Statements

(U//FOUO) Field office confidential cases receiving direct advance funding from FBIHQ, e.g., [redacted] are required to prepare quarterly financial statements, to include a trial balance and budget performance report.

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(U//FOUO) The financial statements are due to the respective substantive desk at FBIHQ by the [redacted] of the month following the close of the quarter, unless otherwise specified by the respective substantive desk at FBIHQ. This includes:

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- (U//FOUO) [redacted] UCOs- an original and one copy of the financial statements are to be submitted to FBIHQ, Attention: [redacted] will forward a copy of the financial statements to the respective substantive desk at FBIHQ.
- (U//FOUO) [redacted] an original and one copy of the financial statements are to be submitted to FBIHQ, Attention: [redacted]
- (U//FOUO) [redacted] UCO- an original and one copy of the financial statements are to be submitted to FBIHQ, Attention: [redacted]
- (U//FOUO) [redacted] UCOs receiving direct advance funding from FBIHQ- an original and one copy of the financial statements are to be submitted to FBIHQ, Attention: [redacted]
- (U//FOUO) [redacted] receiving direct advance funding or funded with operational proceeds- an original and one copy of the financial statements are to be submitted to FBIHQ, Attention: [redacted]
- (U//FOUO) [redacted] an original and one copy of the financial statements are to be submitted to FBIHQ, [redacted]

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(U//FOUO) [redacted] confidential cases are required to prepare semiannual statements due on the [redacted] of the month following the close of the March 30th and September 30th periods.

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(U//FOUO) Field offices can request approval from the respective substantive desk at FBIHQ and the Section Chief, AS, FD, to reschedule the submission date of their financial statements.

(U//FOUO) All statements are required to have account titles and numbers described in the [redacted] to provide uniformity in reporting from quarter to quarter and from operation to operation. Copies of audit programs, compliance questionnaires, bank statements, and/or work papers are not to be included in the financial statements submitted, but rather, are to be retained in the applicable [redacted]

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8.2. (U//FOUO) Trial Balance

(U//FOUO) A trial balance is prepared monthly to prove the equality of debits and credits, but is only submitted quarterly to the respective substantive desk at FBIHQ. A summary trial balance describing the total financial activity of the operation from the beginning of the fiscal year is included with the quarterly financial statement.

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8.3. (U//FOUO) Budget Performance Report

(U//FOUO) This report verifies that operations do not exceed budget authority by more than the prescribed limits of [] percent within each budget item, whichever is less. It is a comparison of actual and budgeted expenses for each operation.

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8.4. (U//FOUO) Budget Performance Statement

(U//FOUO) The budget performance statement is a comparison of actual budgeted expenses by individual expense budget category. It should not set forth cumulative expenses and budget amounts to date for the operation, but rather, only the expenses for the current [] period and the related [] budget approved by either the CUOR [] []

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(U//FOUO) All confidential expenses must be tracked and reported on the budget performance report by expense category to ensure compliance with the approved budget.

(U//FOUO) The physical source of cash used for confidential expenditures, TPD or direct advances of funds has no effect on budget performance.

(U//FOUO) A change in the authorized balance of TPD or direct advanced funds has no effect on budget performance, which is measured by comparing expenditures with the budget allocation.

(U//FOUO) In order to facilitate the preparation of the Budget Performance Statement for [] [] UCOs and [] UCOs, the expense accounts within the general ledger (maintained as part of the required accounting records) should be closed with a general journal entry upon expiration of the [] [] The general journal entry debits a new account entitled "expense summary" [] and credits each expense account containing a balance.

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(U//FOUO) For [] budgets are established on a fiscal year basis. Accordingly, the expense accounts within the general ledger should be closed by a general journal entry at the end of the fiscal year. This year-end closing entry facilitates the preparation of the budget performance statement.

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Appendix A: (U//FOUO) Summary of Legal Authorities

(U//FOUO) With respect to undercover investigative operations, which are necessary for the detection and prosecution of crimes against the United States or for the collection of foreign intelligence or counterintelligence, the U.S. Congress has provided exemptions to certain federal laws (through Public Law 102-395 and subsequent legislation and as codified by reference in Title 28, United States Code [U.S.C.], Section 530C [a][5]) upon the written approval of the FBI Director and the Attorney General or their designees. The exemptions are set out in a note appearing at Title 28, U.S.C., Section 533. Exemptions may be authorized as follows:

Exemption from Title 31, U.S.C., Sections 1341, 3324; Title 40, U.S.C., Section 34; Title 41, U.S.C., Sections 11(A), 22, 254(a) and (c), 255: Appropriated funds may be used for purchasing property, buildings, and other facilities, and for leasing space within the United States, the District of Columbia, and the territories and possessions of the United States.

Exemption from Title 31, U.S.C., Section 9102: Appropriated funds may be used to establish or to acquire proprietary corporations or business entities as part of an undercover investigative operation and to operate such corporations or business entities on a commercial basis.

Exemption from Title 18, U.S.C., Section 648, and Title 31, U.S.C., Section 3302: Appropriated funds and the proceeds from UCOs may be deposited in banks or other financial institutions.

Exemption from Title 31, U.S.C., Section 3302: Proceeds from UCOs may be used to offset necessary and reasonable expenses incurred in such operations.

In addition to the above exemptions from statutes that would otherwise prevent effective undercover operations, the following statutes provide useful authorities for covert activities:

Title 28 U.S.C., Section 537: Authorizes the expenditure of FBI appropriated funds for unforeseen emergencies of a confidential character, under the direction of the Attorney General.

Title 28, U.S.C., Section 524, I(1)(B): Authorizes the Attorney General to expend funds from the AFF for, "the payment of awards for information or assistance directly relating to violations of the criminal drug laws of the United States..." and is [redacted] provision. b7E

Title 28, U.S.C., Section 524, I(1)(I): Authorizes the Attorney General to expend funds from the AFF for, "the payment of awards for information or assistance leading to a civil or criminal forfeiture..." and is [redacted] b7E

Title 5, U.S.C., Section 7903: Protective clothing and equipment. Appropriations available for the procurement of supplies and material or equipment are available for the purchase and maintenance of special clothing and equipment for the protection of personnel in the performance of their assigned tasks.

The following statutes and GAO publications illustrate some of the standard fiscal restrictions that also apply to confidential expenditures:

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Title 31 U.S.C., Section 1301(a): Limits use of appropriated funds to the objects for which they were appropriated.

Title 5, U.S.C., Section 5536: Prohibits employees from receiving additional compensation of any kind for their services or duties to the government, except as specifically authorized by law.

The Government Accountability Office (GAO) 11/1999 publication entitled, Standards for Internal Control in the Federal Government, states in part: "Managers are to (1) promptly evaluate findings from audits and other reviews, including those showing deficiencies and recommendations reported by auditors and others who evaluate agencies, (2) determine proper actions in response to findings and recommendations from audits and reviews, and (3) complete, within established time frames, all actions that correct or otherwise resolve the matters brought to management's attention."

GAO Redbook, Paragraph 4-C-13 covers the basis for the Comptroller General's determination that the use of government funds for the payment of personal expenses, such as meals or entertainment expenses for government and non-government persons is generally prohibited, and some exceptions to this rule.

GAO Redbook, Paragraph 4-C-8 (and cases cited therein) discusses the basis for the Comptroller General's determination that the use of government funds for the purchase of gifts is generally prohibited, and some exceptions to this rule.

Additional relevant orders:

DOJ Order 2110.21D: Expenditures of a Confidential Character.

DOJ Order 2110.47: Operation of IMPREST Funds and Third Party Payment Sites.

Attorney General's Guidelines for FBI Undercover Operations.

Attorney General's Guidelines Regarding the Use of Confidential Human Sources.

Attorney General's Guidelines for Domestic FBI Operations (AGG-Dom).

Executive Order 12333, Section 3.4(f) Intelligence Community.

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Appendix B: (U//FOUO) Sources of Additional Information

Federal Acquisition Regulation (FAR)

Federal Travel Regulation (FTR)



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Increase in the Micro-Purchase Threshold

DOJ Intranet web site-Policy on Department of Justice Rewards:

http://10.173.12/jmd/bs/fy08execution/fy08_bex_appendix_e_rewards_policy.doc

All SAC Airtel dated 11/6/85: Use of the Field Support Account (FSA) and Direct Advances

All SAC Airtel dated 3/30/90: Fiscal Responsibility

Standard for Internal Controls in the Federal Government, Government Accountability Office,
11/1999 Edition

Manual of Administrative Operations and Procedures (MAOP): MAOP Table of Contents

Draft System User Guide (DSUG)

Domestic Investigations and Operations Guide, December 16, 2008

Field Guide for Undercover and Sensitive Operations (FGUSO) Revised 7/25/2003

Confidential Human Source Policy Manual (CHSPM), POL07-0001-CID

National Foreign Intelligence Program Manual (NFIPM)



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Ratification Policy

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Appendix C: (U//FOUO) Finance Division Contact Information

Finance Division Front Office

Assistant Director/Chief Financial Officer 202-324-1345

Deputy Assistant Director

Accounting Section

Section Chief 202-324-3455

Commercial Payments and Confidential
Services Unit Address: FBI HEADQUARTERS, ROOM
J. Edgar Hoover Building
935 Pennsylvania Avenue, NW
Washington, DC 20535

Unit Chief

Assistant Unit Chief

Fax Number 202-324-6491

Secure Fax Number 202-324-8070

Confidential Services Supervisor

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Appendix D: (U//FOUO) Key Words and Definitions

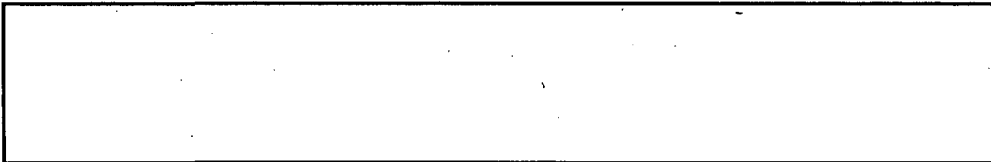
Account: A formal record of a particular type of transaction, usually expressed in monetary values and kept within a ledger.

Accountable Officer: Any person who has physical custody of government funds to include SA and support personnel, who draws funds from the TPD system, direct advances, and emergency funds.

Accrual Basis: The basis of accounting under which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or the payment of the expenditure may take place, in whole or in part, in another accounting period.

Adjusting Entry: An accounting entry used to adjust the balance of two or more general ledger accounts for proper accounting treatment (e.g., depreciation, uncollectible accounts).

Alternate: An FBI employee designated to function as the backup for the primary draft approval officer or draft cashier to ensure continual operations of the Third Party Draft Office.



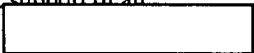
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Bookkeeping: The systematic recording of financial transactions of a business or entity.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Bulk Funding: A system whereby the contracting officer receives authorization from a fiscal and accounting officer to obligate funds for purchasing items against a specified lump sum of funds reserved for that purpose for a specified period of time, rather than obtaining individual authority for each purchase item.

Case: An assessment or predicated (preliminary or full) investigation as defined in the DIOG, Sections 5, 6, 7, 8, 9 and 10.

Case Expenditures: Necessary, confidential expenditures paid in direct support of an investigation that is not otherwise classified as an undercover operation, 

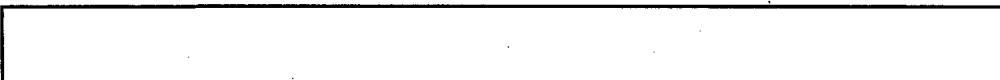
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Cash Basis: The basis of accounting under which revenues are recorded when they are received and expenditures are recorded when paid, without regard for transactions that are expected to occur in the future.

Cash Disbursements Journal: A special journal in which all cash disbursements are recorded.

Cash Receipts Journal: A special journal in which all cash receipts are recorded.



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Chief Acquisition Officer: A person with authority to manage the FBI's contracting.

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[Redacted]

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Closed: (referring to Congressional audits): The earliest point in time at which all criminal proceedings of [Redacted] activities are concluded, whichever occurs later. This date is typically the last date a subject is sentenced.

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Closing Entry: An entry that transfers the balance from one account to another to close the accounting books in preparation for producing statements.

Confidential Expenditure: A necessary expense made in direct support of an investigation. The identity of the FBI as a party to the transaction must be concealed to avoid compromising [Redacted] activity.

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Confidential Funds: Funds provided to be used in direct support of an investigation when there is a need to conceal the identity of the FBI.

[Redacted]

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Contracting Officer: A person with the delegated authority to enter into, administer, or terminate contracts, make related determinations and findings, and bind the government to the extent of the authority delegated.

Control Account: An account in the general ledger in which the aggregate of debit and credit postings to a number of related subsidiary accounts is recorded.

Correcting Entry: An entry made in the general journal to correct errors in two or more general ledger accounts.

Criminal Undercover Operations Review Committee (CUORC): Reviews proposals and recommends approval of criminal, domestic terrorism, and certain cyber Group I UCOs.

Davis-Bacon Act: A federal law that established the requirement for paying prevailing wages on public works projects. All federal government construction over \$2,000 must include provisions for paying workers on-site no less than the locally prevailing wages and benefits paid on similar projects.

Direct Advance Funds: Confidential funds provided by FBIHQ, with appropriate authorization from the respective operational divisions or field division head, for a single or large confidential expenditure on [Redacted]

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Discretionary Funds: Appropriated funds used for day-to-day overt office requirements (e.g., travel, miscellaneous services, supplies and equipment).

Draft: Similar to a check in that it represents a promise and a legal obligation to pay the stated amount to the named payee. A draft differs from a check in that its value is supported by a contract with the bank upon which it is drawn, rather than by funds held on deposit in the payer's account.

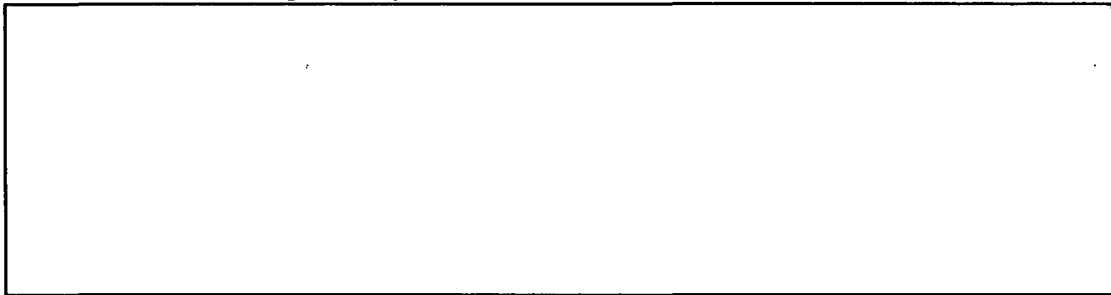
Double Entry Bookkeeping: The recording of accounting transactions using debits and credits, posted to an accounting journal.

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Executive Manager: Refers to a field office ADIC, SAC, or ASAC.

Expendable Property: Supplies and equipment which are normally consumed within a one-year period. The physical property of an item, rather than its unit price, will be the basis for classifying an item as expendable.

Expenditure: When accounts are kept on the accrual basis, this term designates the cost of goods delivered or services rendered, whether paid or unpaid. When the accounts are kept on the cash basis, the term designates only actual cash disbursements.



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FD-37: Direct Advance Voucher Form.

FD-192: Evidence Form-data entry.

FD-302: Form for reporting information that may become testimony.

FD-369: Requisition for Supplies and/or Equipment- to purchase items over or when the vendor will not accept the government purchase card. The form should also be used to obtain service contracts. The government purchase card is the preferred method of obtaining goods and services.

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FD-540: Travel Request Form.

FD-735: Direct Advance Voucher Reconciliation Form.

FD-735a: TPD Advance Voucher Reconciliation Form.

FD-736: Itemization of Expenditures Form.

FD-794: Draft Request Form.

FD-997: Cash Count Verification Form.

Field Division Head: Refers to a field office ADIC or SAC.

Fiscal Year: A 12 month period to which the annual budget applies, and at the end of which a business or entity determines its financial position and the results of its operation. The fiscal year for the federal government begins on October 1 and continues through September 30 of the following calendar year.

Forfeiture Award: The payment of awards for information or assistance leading to a civil or criminal forfeiture involving any federal agency participating in the fund.

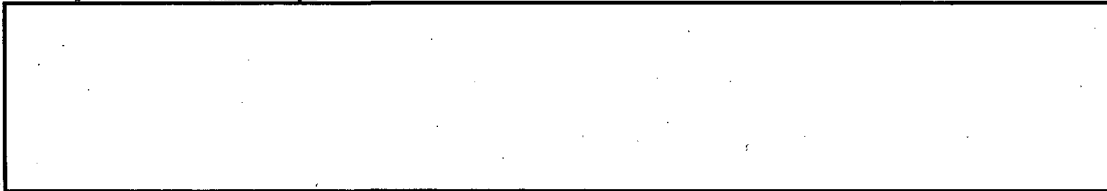
General Journal: A journal that is used to record entries that cannot be recorded in specialized journals (e.g., adjusting, correcting, and closing entries).

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General Ledger: A ledger containing accounts in which all transactions of a business or entity are recorded either in detail or in summary form.

Government Purchase Card Program (purchase card assigned to the divisions, e.g., Administrative Office, SAS, Supply Technician, ETs, PFI): Program that provides government employees with purchase cards to make official purchases within their delegated procurement authority (which are for official government use only). Each cardholder must have an obligation document (purchase order) established before an order and/or a requirement is placed using the government purchase card.

Government Travel/Fleet Card: Used by all personnel who are traveling in a true name status using their official identity.

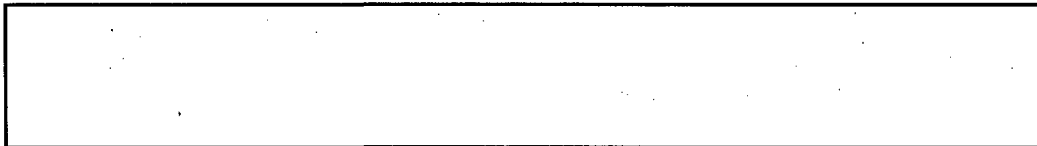


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Higher Level Official: Refers to a field office ADIC or SAC.

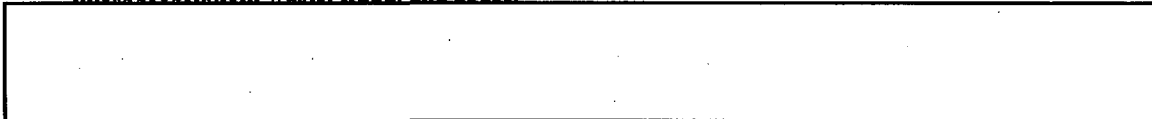
Imprest Fund: Fixed cash or petty cash in the form of currency or coin is set aside for payment of minor disbursements. At certain intervals, or when the amount of money set aside is completely expended, a report with substantiating vouchers is prepared and the fund is replenished up to the fixed amount originally established. The total amount of cash on hand plus the amount of signed receipts or petty cash vouchers, at any one time, must equal the total amount authorized.

Intelligence Community: Components of the federal government which produce intelligence and counterintelligence, including the CIA; the NSA; the DIA; reconnaissance program offices within the DOD; DOS's Bureau of Intelligence and Research; intelligence elements of the Army, Navy, Air Force, and Marine Corps, the FBI, the U.S. Treasury; the DOE; and the Director of National Intelligence.



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Internal Control: A plan of organization under which employees' duties are so arranged and records and procedures are so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures and, thereby, guard against misappropriation, waste, fraud, and abuse.



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Journalizing: Separating a transaction into its debit and credit parts and recording each in a journal.

Ledger: A book of accounts.

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[Redacted]

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Memorandum Entry: An entry to record data for information only that is not to be posted to any general ledger accounts. These entries most commonly appear in the general journal.

Micro-purchase Threshold: Pursuant to FAR 2.101, the micro-purchase threshold amount is \$3,000, except for acquisitions of construction subject to the Davis-Bacon Act, \$2,000; and acquisitions of services subject to the Service Contract Act, \$2,500.

Monthly Confidential Budget Performance Certification: A summary comparison of budget and actual expenses, by budget category, for each field office. This report is reviewed monthly by the SSAs to ensure that confidential expenditures are controlled within budget limits and that all vouchers and records are current. An original copy of the report should be maintained by the field office in a case financial subfile for review by Inspection Staff personnel during the Financial Management Audit inspection process.

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Non-discretionary Food: An SA's or the government's lack of control over the nature and dollar amount of food consumed, due to [Redacted] influence over the terms and conditions upon which a meeting occurred.

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Nonexpendable Property: An item of personal property which in itself is a complete entity, does not lose its identity or become a component part of another item when put in use, and is of a stable nature with an anticipated useful life greater than one year.

Non-recoverable Property: An item purchased with appropriated funds and given to a [Redacted] or an individual during the course of an investigative operation.

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[Redacted]

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Personal Property: All FBI owned property that is tangible in nature. Personal property consists of equipment, furniture, etc.

Posting: Transferring entries in a journal to the accounts in the general ledger.

Posting Reference: A reference between a journal and a general ledger account that creates an audit trail between corresponding entries made during posting.

Procurement Authority: Written delegated authority to contracting officers to commit appropriated funds for publicly recognized official purposes or for investigative operations on behalf of the FBI.

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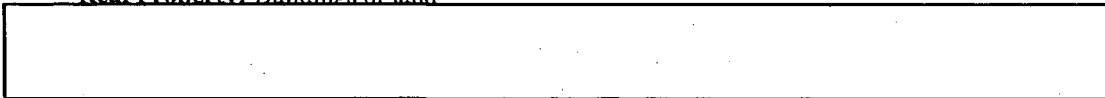
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Property Management Application (PMA): The automated accounting system used to properly and accurately account for all property that the FBI acquires, transfers, and retires.

Proprietary: A sole proprietorship, partnership, corporation, or other business entity operated on a commercial basis, which is owned, controlled, or operated wholly or in part by the FBI, in connection with an undercover operation and whose relationship with the FBI is concealed from third parties.

Ratification: The act of approving an unauthorized commitment by an official who has authority to do so. Care should be taken to ensure all requirements to obtain procurement authority are met prior to the action taking place. When this procedure is not followed, the result is an unauthorized commitment.

Real Property: Buildings or land



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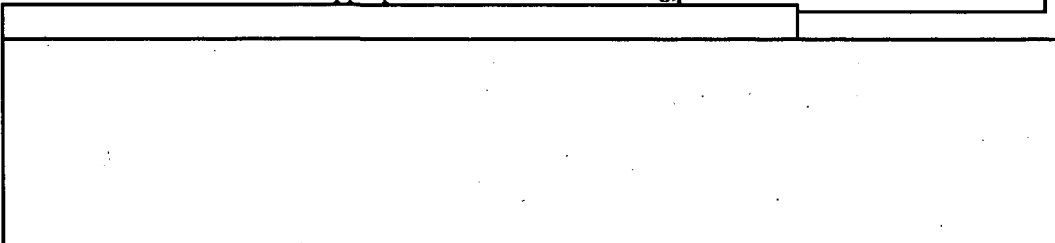
Requirement: A need for a commodity or service, associated with a specific investigative or operational objective, the nature and amount of which are known at the time of the request, and the approximate duration of which can be reasonably estimated.

Revolving Advance: An advance that is established, by which expenditures incurred are reconciled monthly and applied against the advance.

SF-1012: Travel Voucher Form.

Source Document: An original document that provides the basis for and substantiates accounting entries.

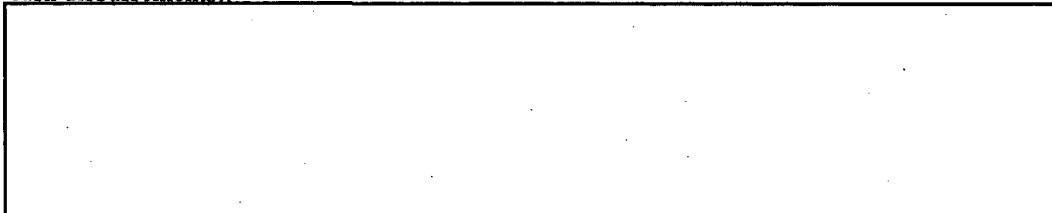
Sources of Funds: Includes appropriated confidential funding, 



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Spending Authority: A specific amount authorized for a case.

Specialized Journal: A journal that is used to record only one type of entry (e.g., cash receipts, cash disbursements).



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to facilitate the establishment of a company, purchase equipment, etc.) provided that the directed use of the funds furthers the objectives of the investigation.

Subsidiary Ledger: One of many separate accounts which are summarized in the general ledger by a control account.

Third Party Draft (TPD) System: An automated check writing system (draft/EFT) that has been designed to pay local vendors for incidental goods and services and to reimburse employees for necessary expenses incurred in their line of duty during official business.

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Trial Balance: An accounting worksheet which proves the equality of the debit and credit balances within the general ledger accounts.

Unauthorized commitment: An agreement that is not binding solely because the government representative lacked the authority to enter into the agreement on behalf of the government.

Undercover capacity: A relationship between a SA and a subject in which the SA's true identity and association with the FBI are concealed from the subject.

Undercover Employee (UCE): Any employee of the FBI, or employee of a federal, state, or local law enforcement agency, working under the direction and control of the FBI in a particular investigation, whose relationship with the FBI is concealed from third parties in the course of an investigative operation by the maintenance of a cover or alias identity. (See Field Guide for Undercover and Sensitive Operations).

Undercover Operation (UCO): Any investigation involving a series of related undercover activities over a period of time by an undercover employee.

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Appendix E: (U//FOUO) Acronyms

[Redacted]

AD	Assistant Director
ADIC	Assistant Director in Charge
AFF	Assets Forfeiture Fund
AG	Attorney General
AGG	Attorney General Guidelines
AGG-Dom	Attorney General Guidelines for Domestic FBI Operations
AGG-UCO	Attorney General Guidelines for FBI Undercover Operations

[Redacted]

AMU	Asset Management Unit
AS	Accounting Section
ASAC	Assistant Special Agent in Charge

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AUSA	Assistant United States Attorney
BEU	Budget Execution Unit
CAO	Chief Acquisition Officer
CD	Cash Disbursements or Counterintelligence Division
CDC	Chief Division Counsel
CFG	Confidential Funding Guide

[Redacted]

CO	Contracting Officer
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[Redacted]

CPCSU	Commercial Payments and Confidential Services Unit
CR	Cash Receipts
CT	Counterterrorism
CTD	Counterterrorism Division
CUORC	Criminal Undercover Operations Review Committee
DAD	Deputy Assistant Director

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DAO	Draft Approval Officer
DD	Deputy Director
DI	Directorate of Intelligence
DIOG	Domestic Investigations and Operations Guide
DOJ	Department of Justice
DSUG	Draft System User Guide
DT	Domestic Terrorism
EAD	Executive Assistant Director
EC	Electronic Communication
ECT	Evidence Control Technician
EFT	Electronic Funds Transfer
EIM	Employee Invoice Maintenance
ET	Electronic Technician
FA	Financial Analyst
FAR	Federal Acquisition Regulations
FBI	Federal Bureau of Investigation
FBIHQ	FBI Headquarters
FCI	Foreign Counterintelligence
FDIC	Federal Deposit Insurance Corporation
FGUSO	Field Guide for Undercover and Sensitive Operations.
FM	Financial Manager
FMS	Financial Management System
FSA	Field Support Account
GAO	Government Accountability Office
GJ	General Journal
GL	General Ledger
GSA	General Services Administration
HIPSPU	Human Intelligence Policy and Special Program Unit
HUMINIT	Human Intelligence
INSD	Inspection Division

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LD Laboratory Division

[Redacted]

LOE Letter of Exchange

M&IE Meals and Incidentals Expenses

MAOP Manual of Administrative Operations and Procedures

MOU Memorandum of Understanding

[Redacted]

NSB National Security Branch

[Redacted]

OGC Office of the General Counsel

[Redacted]

PFI Positive Foreign Intelligence

[Redacted]

PS Procurement Section

SAA Special Agent Accountant

SAC Special Agent in Charge

SC Section Chief

[Redacted]

SDF Subject-Directed Funding

SISC Supervisory Investigative Specialist Coordinator

[Redacted]

SSA Supervisory Special Agent

[Redacted]

SSRA Supervisory Senior Resident Agent

T Numbers Telephonic approval form

TDY Temporary Duty

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TPD	Third Party Draft
UCE	Undercover Employee
UCO	Undercover Operations

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