NASA Procedural Requirements

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COMPLIANCE IS MANDATORY

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Subject: Cash Management and Improper Payments

Responsible Office: Office of the Chief Financial Officer

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Chapter 3. Improper Payments and Loss of Funds

3.1 Overview

3.1.1 This chapter provides NASA's requirements for compliance with the Improper Payments Information Act (IPIA) of 2002. This chapter also addresses the accountable officials' responsibilities for ensuring payments are proper and their liability for improper payments. NASA accountable officials include Certifying Officers and Collection Agents.

3.2 Agency Requirements

3.2.1 Improper Payment Reviews, Risk Assessments, and Reporting Requirements.

3.2.1.1 To comply with the provisions of OMB Circular No. A-123, Appendix C, NASA shall review all programs and projects and identify those which may be susceptible to significant erroneous payments.

3.2.1.2 Risk Assessments.

a. Annual risk assessments are required for all NASA programs and projects where the level of risk is unknown until the risk level is determined and the baseline estimates are established (if applicable).

b. For programs and projects deemed not risk susceptible, NASA shall conduct risk assessments every three years.

c. NASA is not required to conduct a formal risk assessment if improper payment baselines have already been established, in the process of being measured, or will be measured by an established date for a program or project.

d. If a program or project experiences a significant change in legislation and/or a significant increase in funding level, NASA shall re-assess the program or project's risk susceptibility during the next annual cycle, even if it is less than three years from the last risk assessment.

e. In OMB Circular No. A-123, Appendix C, OMB provides several steps that agencies should follow to determine whether the risk of improper payments is significant. NASA personnel requiring this information should refer to the OMB circular.

3.2.1.3 Reporting Requirements. NASA report preparers shall refer to OMB Circular No. A-136 for detailed reporting requirements and format for reporting improper payments and recovery auditing activities.

3.2.2 Certifying Officers' Accountability.

3.2.2.1 Certifying Officers have a responsibility to verify proposed payments are legal, proper and correct. The verification involves certifying a voucher upon which a disbursement will be made. The Certifying Officer's certification of a voucher is an assertion of the appropriateness of each payment on the voucher entailing a level of accountability for:

a. The existence and correctness of the computations and facts stated in a voucher and its supporting records.

b. The legality of the proposed payment under the particular appropriation or fund charged for the disbursement (officials designated as Certifying Officers for payments are not responsible for assuring the availability of funds).

c. Any illegal, improper or incorrect payment resulting from any false, inaccurate or misleading certification, as well as for any payment prohibited by law. Certifying Officers shall be held accountable for and required to make good to the United States the amount of such payments.

d. Compliance with internal controls established to safeguard and protect the interest of the Government.

3.2.2.2 The certification of a voucher is to be performed according to the informed judgment of the Certifying Officer based upon the facts establishing the legality and propriety of the claim.

3.2.2.3 Coercion or administrative pressure will not be used to obtain a certification. This does not prohibit discussing any facts or circumstances bearing on invoices with a view toward expediting settlement.

3.2.2.4 If improper payments cannot be recouped by collection, stop payment, or other means, unless relieved of liability the Certifying officer is held personally liable for repayment for amounts on vouchers he/she approves with his/her certification where there is:

a. An illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certification made by the officer.

b. A payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved.

3.2.3 Collection Agents' Accountability.

3.2.3.1 Unless relieved of liability, Collection Agents are held personally liable for physical loss of funds. Collection Agent's responsibilities form a basis for safeguarding the loss of funds and include:

a. Keeping receipts and records for:

(1) Collections received.

(2) Collections not deposited.

(3) Collections in transit to be deposited.

(4) Confirmations of deposits made.

(5) Monitoring the proper crediting of amounts deposited.

b. Adequate fiscal control including:

(1) Locking funds in a safe.

(2) Not permitting unauthorized access to funds.

(3) Assuring that transfers of accountability are documented and approved.

c. Observing internal control procedures.

3.3 Roles and Responsibilities

3.3.1 NASA accountable officers shall:

a. Verify all proposed payments are legal, proper, and correct.

b. Review all programs and projects to determine which programs and projects are susceptible to significant improper payments.

3.3.2 NASA Headquarters Mission Directorates and Support Offices, NASA Centers, NASA Shared Services Center, and NASA's Component Facilities shall comply with the authorities listed in Section P.3 and the requirements provided in this NPR.

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