

Chapter 1  
OVERVIEW OF FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY

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## Chapter 1 OVERVIEW OF FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY

### 1.01 Introduction

This chapter outlines the importance of responsibility and accountability within the Vocational Rehabilitation and Employment (VR&E) as it relates to fiscal transactions. VR&E fiscal transactions include payment of subsistence allowance, Employment Adjustment Allowance (EAA), purchases of services and supplies, reimbursements and Revolving Fund Loans (RFL). This chapter also describes systems in place to ensure that VR&E fiscal transactions are administered in accordance with applicable laws and regulations.

### 1.02 References and Resources

Laws: Anti-Deficiency Act

Regulations: 38 Code of Federal Regulation (CFR) 21.430  
Department of Veterans Affairs (VA) Acquisition Regulation (VAAR), 801.601

### 1.03 General Information

As stewards of taxpayers' money, VR&E staff are responsible for and held accountable for the appropriate authorization and processing of fiscal transactions. The case manager must ensure correct application of the laws and regulations concerning all fiscal transactions. Fiscal oversight provided within VR&E ensures that the case manager processes fiscal transactions with accountability, honesty and good judgment.

The VR&E Officer is responsible for the assessment of quality and management control within his/her division. He/she should know the performance level of each employee assigned within his/her supervision to ensure that all fiscal transactions meet the acceptable level of quality. Refer to M28R, Part VIII, Section A for information on VR&E Program oversight and internal control.

It is important to note that any VR&E staff member who has not been delegated contracting authority must not commit the Government to the purchase of services, supplies, or equipment. While a case manager or other staff member may be involved in the process of determining the quality, quantity and delivery requirements for specific purchases, he/she may not sign contracts or agreements committing the Government to a purchase or make verbal commitments to a purchase. According to VAAR 801.601(c), individuals making such commitments or acting beyond the scope of their authority may be held financially liable.

#### 1.04 Levels of Authority for Program Costs

In accordance with 38 CFR 21.430, VR&E must maintain policies and procedures that provide accountability in the authorization and payment of program costs for training and rehabilitation services. As part of program planning, case managers must estimate program costs during a calendar year based on the services necessary to carry out each Veteran's rehabilitation plan. Different levels of authority are required to approve these program costs. The levels of authority required to approve program costs should not restrict the type of services that VA offers. Rather, the services a Veteran receives are based upon the rehabilitation plan. According to the projected costs, the case manager must secure the appropriate level of concurrence before approving a program or authorizing services.

##### a. Program Costs

Program costs include but are not limited to: tuition, books, fees, supplies, equipment, and special services and assistance that VA pays established costs to an approved vendor. Program charges do not include subsistence allowance and Revolving Fund Loans (RFL).

##### b. Cost Approval/Concurrence Levels

Levels of spending authority are delegated to the Vocational Rehabilitation Counselor (VRC), VR&E Officer, Regional Office (RO) Director and Director of VR&E Service based upon the anticipated annual cost of services for Veterans participating in the VR&E Program. The levels are as follows:

###### 1. Vocational Rehabilitation Counselor (VRC)

The VRC can approve rehabilitation plans with an annual cost of up to \$25,000, with the exception of self-employment plans and construction costs associated with Independent Living (IL) plans. See below for additional information on the cost approval limits for those exceptions.

###### 2. Vocational Rehabilitation and Employment (VR&E) Officer

The VR&E Officer may approve the following:

- Self-employment plans with a total cost up to \$25,000.
- Rehabilitation plans with an annual cost of \$25,000 to \$75,000.
- IL plans that do not contain construction with annual costs up to \$75,000.

- IL plans that contain construction costs up to \$2,000.

It is important to note that VR&E Officers may not delegate their responsibility to review program costs associated with extended evaluation, independent living, or establishing a small business.

3. Regional Office (RO) Director

The RO Director may approve the following:

- Rehabilitation plans with an annual cost of \$75,000 to \$100,000.
- IL plans that do not contain construction with an annual cost of \$75,000-\$100,000.
- IL plans that contain construction costs between \$2,000 and \$25,000.

4. VR&E Service Director

The VR&E Service Director may approve the following:

- Rehabilitation plans when the annual cost of services exceeds \$100,000.
- IL plans that do not contain construction when the annual cost of services exceeds \$100,000.
- IL plans that contain construction costs that exceed \$25,000.
- Self-employment plans when the total cost of the program exceeds \$25,000.

c. Documentation

When a Veteran's program costs exceed their level of authority, the case manager must create a memorandum describing the program costs. This memorandum must include appropriate concurrence lines.

d. Increase in Program Costs that Exceed Cost Approval

The case manager may learn that a Veteran's actual program costs will exceed the original estimated cost. When this occurs, the case manager must consider whether the program requires a higher level of concurrence. If the case manager finds that the new cost projections exceed the limit that has been approved, he/she must seek the appropriate level of concurrence. In these cases, the Veteran will continue in their planned program while the case manager obtains the appropriate cost approvals.

## e. Program Costs Not Approved

If program costs are not approved by the appropriate authority, then the case manager must inform the Veteran of the denial by letter. The notification letter must inform him/her of the decision and must explain the reason for the denial. The Veteran must also be provided due process along with his/her appellate rights (VAF 4107).

## 1.05 Budget Object Code (BOC)

Budget Object Codes (BOC) reflect the nature of financial transactions when obligations are first incurred and are an expansion of the associated object classes. Object classes are categories or accounting identifiers that code financial obligations according to the nature of the services or items purchased by VA. The object class is used throughout the Federal Government.

The budgets for General Operating Expense (GOE) and Educational Vocational (Ed/Voc) funds are set by the Office of Field Operations (OFO) and distributed to RO accounts. Applicable funds must be available and appropriately allocated prior to any contracting action or the person making the expenditure will be in violation of the Anti-Deficiency Act and can be held personally liable for reimbursing the government for those unfunded expenditures. Readjustment Benefits (RB) funds are not subject to a budgetary limit but must be closely monitored in CWINRS and/or CAATS.

VR&E utilizes the following three fund types in the provision of services to Veterans participating in the VR&E Program:

## a. General Operating Expenses (GOE)

GOE funds are used to provide services considered inherently governmental in order to mitigate staffing gaps or provide more geographically convenient or timely services to Veterans. This includes services typically provided by case managers and actions that approve and/or pay benefits for Veterans. This fund type corresponds to the following BOC categories:

- 2504: Initial Evaluation
- 2505: Case Management
- 2506: Employment Services

## b. Educational Vocational Funds (Ed/Voc)

Ed/Voc funds are used to provide services to beneficiaries eligible to receive educational/vocational counseling under Chapters 30, 32, 33, 35 (including

Special Restorative Training [SRT] and Specialized Vocational Training [SVT]), 36, 1606 (formerly 106), and 1607. Although these funds are a part of the readjustment benefit costs for VA, the costs recorded in this account are governed by the statutory \$6 million limitation. This fund type corresponds to the following BOC category:

- 4192: Non Chapter 31 Contract Counseling

c. Readjustment Benefits Account (RB)

RB funds are used to provide services to Veterans participating in the VR&E Program, including BOC categories in the 4000 series (except Ed/Voc services). RB funds are not subject to a budgetary limit but must be closely monitored. This fund type corresponds to the following BOC categories:

- 4107: Tuition and fees
- 4108: Books
- 4109: Supplies
- 4112: Handling Charges
- 4113: Tutorial
- 4146: Beneficiary Travel
- 4147: Special contractual services (non-medical)-national contract (Discrete Services)
- 4150: Special Equipment
- 4155: One time miscellaneous items
- 4156: Non-contractual special services (medical)
- 4157: Special contractual services (non-medical)-local procurement
- 4158: Chapter 18 contract counseling