

**APPENDIX R: RESOLVING AND REPORTING IRREGULARITIES****R.1 RESOLVING AND REPORTING IRREGULARITIES.**

R.1.1 Potential Incorrect Payment. When notified by the Office of Inspector General (OIG) or other audit organization that a question has been raised regarding a potential incorrect payment, Centers or the NASA Shared Services Center will obtain supporting data, documents, and information necessary to determine the propriety of charges to or payments from appropriations or other sources of public funds. Prompt attention will be given by the OIG to resolve the area in question and make a final determination if the payment in question was made incorrectly. If the final determination concludes that an incorrect payment was not made, no further action will be required. If the final determination results in an exception to the payment, the following action will be required:

- A. The exception is forwarded to the Certifying Officer and the location where the records are kept, unless otherwise requested by an appropriate NASA official. If the responsible Certifying Officer is no longer available, the current one will receive the exception.
- B. The Certifying Officer can reply to the exception and submit any related correspondence, along with the original invoice, to the OIG or the requesting audit activity that:
  1. Provides evidence of repayment by the payee or
  2. Request a reconsideration of the exception.
  3. With the evidence of payment, the OIG or the auditing activity will enter the date that the exception was removed on the invoice and supporting documentation and return the documents to the Certifying Officer.
  4. Under the reconsideration request, the OIG or auditing activity will expeditiously furnish an explanation that clearly explains why or why not the exception has been reversed and make a representation as to whether or not an accountable loss is involved.
  5. When an incorrect payment is found, an account receivable should be established and action should be taken to collect the erroneous payment.

R.1.2 A physical loss of funds will be reported to the OIG through the OCFO.

R.1.3 Internal Report on Irregularities. The Center CFOs will make an internal Agency report on irregularities including documentation on resolution and attempts to resolve to the Agency CFO and DCFO. The report shall be made as follows:

- A. Reports must be prepared on:
  - 1. Shortages due to physical loss of public funds.
  - 2. Illegal, improper, or incorrect payments, including disbursements resulting from fraud, forgery, alterations of vouchers and other improper practices.
  - 3. Improper accounting for receipts.
  - 4. Any other irregularity which involves accountability to the United States. Irregularities include all items adversely affecting the accounts of accountable officers, including disclosures by agency examinations of disbursement and collection transactions and subsequent internal review.
  
- B. The internal report should include:
  - 1. Type of irregularity.
  - 2. Date.
  - 3. Amount.
  - 4. Names and positions of the Certifying Officer(s) and others involved.
  - 5. Reference to pertinent supporting documents.
  - 6. Description of how the improper payment occurred and how it affected the Certifying Officer's other official accounts.
  - 7. Description of the procedural deficiencies, if known, that caused the irregularity and the corrective action taken or to be taken.
  - 8. Information on any recoupment already made or being considered.
  
- C. Documentation for resolution of irregularities must be filed with the report and includes:
  - 1. Whether the questioned items were proper.
  - 2. Whether recovery was made from the recipient or Certifying Officer.
  - 3. If waived (granted relief), documentation shall also include:
    - a. Amount waived.
    - b. Statute allowing the waiver.
    - c. Credit granted to was authorized by law.

4. Any administrative determinations required by the applicable relief statute, when relief is granted by NASA.
5. Other authorized administrative actions to resolve the irregularity.
6. Any determinations denying relief.

R.1.4 Reporting Repayments to Certifying Officer Accounts.

- A. All correspondence received by Certifying Officers regarding repayments of amounts determined as a result of an audit to have been incorrectly paid, will be reported back to the appropriate OIG or audit organization.
- B. Single Repayment. If the indebtedness is liquidated promptly by a single repayment, the repayment should be reported to the responsible audit organization on a copy of the invoice or by letter, email, or data fax.
- C. Installment Repayments. When repayments are to be made in installments, the specific arrangements with the debtor will be reported to the audit organization. The OCFO will report installment repayments to the responsible audit organization on a copy of the invoice or by letter, email or data fax, as of June 30 and December 31, within 15 days of those dates. Other dates for reporting repayments are permissible if agreed to by the responsible audit organization.

R.1.5 Timely Resolution of Irregularity. If resolved within 2 years after the date the accounts are made available to the Government Accountability Office (GAO) for audit, reporting it to GAO is not necessary.

R.1.6 Reports on Irregularities to GAO. If not resolved within 2 years after the date the accounts are made available to GAO for audit, a copy of the internal report shall be submitted to GAO by the OCFO or its designee to the OIG who submits to GAO. Reports to GAO are not needed if:

- A. The improper payment is \$100 or less.
- B. The improper payment is a result of the following check losses:
  1. Duplicate check losses under \$3,000.
  2. Losses resulting from mechanical or clerical error during the check issuance process under \$3,000.
- C. When the unrecovered portion of the loss is subject to routine ongoing collection mechanisms agreed to by the debtor.

R.1.7 Relief from Personal Liability.

- A. A Certifying Officer may not escape the liability for losses resulting from an erroneous certification due to the inability to personally ascertain that the invoices were correctly stated or to rely upon the statements and computations of subordinates or others. A Certifying Officer relying on actions of another employee is held responsible for losses resulting from an erroneous certification unless it is shown that the true facts could not have been known in the reasonable exercise of care and diligence.
- B. Certifying Officers will not be held liable for payments made pursuant to "claims settlement certificates" issued in the name of the Comptroller General.
- C. Certifying Officer will not be held liable for payments made in accordance with settlement decisions issued by NASA Officials.
- D. Certifying Officer will not be held responsible for any overpayments on transportation requests or on Government bills of lading due to use of improper rates, classification, or on commercial documentation used by ocean carriers, or failure to deduct the correct amount under land-grant laws or equalization, or other agreements (31 USC 3528(c)). Verification of rates or classifications pursuant to tariffs or equalization and other agreements is unnecessary.
- E. If the NASA Center CFO determines relief from liability for either a Certifying Officer, who allegedly approved an improper payment, or an accountable officer, due to physical loss of funds, the following may be done:
  - 1. The NASA Center CFO may grant relief of liability for improper payments less than \$3,000 provided that:
    - a. Upon discovery of an incorrect payment, the Certifying Officer took every practical effort to recover the payment, and advised the Center CFO of the occurrence of the loss.
    - b. The Center CFO:
      - (1) Has examined the facts.
      - (2) Made a concerted effort to find affix responsibility.
      - (3) Assured steps have been taken to recover the amount.
    - c. If a determination is made that the responsibility for the incorrect payment should not be placed on any employee or employees, the Center CFO should seek relief from liability for the Certifying Officer from Agency CFO and DCFO.

2. For irregularities of \$3,000 or higher, the NASA Center CFO shall submit a request for relief to the Agency CFO and DCFO which then will be forwarded to the OIG who will handle the reporting to GAO.
  - a. The request will be submitted at the end of the two year period or sooner.
  - b. The request will include:
    - (1) A copy of the NASA internal improper payment report.
    - (2) Description of collection actions taken.
    - (3) Identification of an appropriation or fund to be charged if an account adjustment is deemed necessary.
    - (4) Information showing that there was a reasonable basis for relying on the procedures and controls in an automated system if the relief requested is based on a contention that the loss resulted from such reliance.
    - (5) Any administrative determinations required by the applicable relief statute.
    - (6) Written statement by the accountable officer or a notation by NASA that the accountable officer chooses not to submit a separate statement.
    - (7) If adjustment of accounts is deemed necessary by NASA, the request should indicate which appropriation or fund is to be charged, name and symbol.

R.1.8 The Settlement Process.

- A. The controller, GAO will grant relief or issue an exception to the request for relief from liability for irregularities. An exception will require repayment be made by the accountable officer and the repayment reported to GAO.
- B. Standards for relief are:
  1. The certification was based on official records and the accountable officer did not know, and by reasonable diligence and inquiry could not have discovered, the correct information.
  2. The obligation was incurred in good faith, the payment was not specifically prohibited by statute, and the government received value for the payment.
- C. Standards of relief for physical loss of funds are:

1. The loss occurred while the officer was performing official duties or that the loss resulted from an act or omission by one of the officer's subordinates.
2. The loss was not the result of fault or negligence on the part of the accountable officer.
3. The loss was not the result of an improper payment.