



ADMINISTRATIVE MEMORANDUM No. 121

SUBJECT: Budgetary Assignment of Core Continuity of Operation Services

CONSIDERING,

That Article 100 of the General Standards, *Appropriations and Obligations*, establishes, in pertinent part, that Appropriations shall be available to meet the obligations incurred during the year for which they were approved. However, and only to the extent necessary to liquidate obligations pending at the close of the year for which they were approved, the appropriations mentioned may be extended, but not beyond December 31 of the following year, on which date they shall expire irrevocably;

That furthermore, Article 100 of the General Standards establishes that obligations shall be recorded on the date on which the commitment becomes legally binding; and

That it is necessary to record agreements and contracts with service providers for terms that cross the fiscal year of the General Secretariat, thus crossing budgetary authority to spend,

THE DECISION:

1. The Policy on Budgetary Assignment for Core Continuity of Operation Services as set forth in the document attached as Appendix A is hereby adopted.
2. This Administrative Memorandum shall supersede any previous policies and practices of the General Secretariat on budgetary assignment for services that cross budgetary years.
3. This Administrative Memorandum shall take effect on the date of its signature.

A handwritten signature in blue ink, appearing to read "Gerald C. Anderson".

Gerald C. Anderson
Secretary for Administration and Finance

*Department of Financial and Administrative Management Services
Secretariat for Administration and Finance*

Policy on Budgetary Assignment for Core Continuity of Operation Services of the General Secretariat of the Organization of American States

The Regular fund Program Budget is an annual budget that provides budgetary authority to spend during the fiscal year for which it was approved, from January to December.

Article 100 of the General Standards, *Appropriations and Obligations*, establishes, in pertinent part, that “Appropriations shall be available to meet the obligations incurred during the year for which they were approved. However, and only to the extent necessary to liquidate obligations pending at the close of the year for which they were approved, the appropriations mentioned may be extended, but not beyond December 31 of the following year, on which date they shall expire irrevocably.”

The General Secretariat enters into agreements and contracts with service providers for terms that cross the fiscal year of the General Secretariat, thus crossing budgetary authority to spend. Furthermore, financial rules require that obligations must be recognized and recorded on the date upon which the agreement, contract, purchase order, or other similar documents becomes binding.

In order to record obligations that cross budgetary years (e.g., a service contract for the period from March 20x1 to February 20x2), the Department of Financial and Administrative Management Services (DFAMS) will open the following year's budgetary account in the corresponding Subprogram to assign the appropriation required to cover the commitment of the following year (in this example for March 20x1 – February 20x2).

The agreements, contracts, purchase orders and other similar documents for which this procedure may apply are as follows:

- Fellowships
- Insurance
- Utilities
- Security, Janitorial, General services
- Software licenses
- Office space rental in National Offices
- Annual external audit of accounts

The DFAMS, with the approval of the Secretary for Administration and Finance, may apply this procedure to other commitments of the General Secretariat, as needed. The DFAMS will be responsible for identifying and following-up on the obligations recorded under this modality. The technical area responsible for the commitment must record it into the system. Within any one fiscal year appropriation, obligations and expenditures for any of these services may not exceed 12 months of services.