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Approved For Release 2001/08/31 : CIA-RDP78-06570A000100020004-8

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DD/P

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15 SEP 1960

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MEMORANDUM FOR: All Chiefs of Staffs and Operating Divisions

SUBJECT : Experiment in the Funds Allotment Structure and Cost Authorizations for the DD/P Area, Fiscal Year 1961

REFERENCE : Memorandum dated 12 August 1960 for DCI from Comptroller, With Attachment, Same Subject

1. Approval has been given for an experiment in the funds allotment structure of the Clandestine Services in accordance with the referenced memorandum. The basic change from the former system is the single allotment of funds (and issuance of cost authorities) to DD/P for all Clandestine Services components. The four basic authorities are:

- (1) Funds authorities from the regular annual appropriation to cover direct operating costs in the form of one vouchered allotment and one unvouchered allotment.
- (2) Property cost authority to cover all property the DD/P offices expect to use during the year regardless of the Agency office that does the purchasing.
- (3) Printing cost authority to cover the cost of all printing requisitioned from the Office of Logistics.
- (4) Books and publications cost authority to cover the cost of all such items requisitioned from the Office of Central Reference.

In addition to the four basic operating authorities, other special authorities will be issued and separately controlled and accounted for by allotment as follows:

- (1) Releases from the Reserve for Contingencies by the Bureau of the Budget except funds for the pay raise.
- (2) Funds advanced from other Government agencies.
- (3) Funds for property procurement. Direct allotments will be made to those offices in the DD/P area acting as purchasing agents for the Agency stock procurement fund.

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2. Under the experiment, appropriate control must be maintained over obligations against fund authorities and commitments against cost authorities. It is essential that the accounting procedures in effect in Fiscal Year 1960 be continued until the working details of the experiment have been developed and tested. This means that your offices will continue to maintain unvouchered fund obligation records at the approved cost center level.

3. The single allotment system has the following advantages:

(1) Maintenance of an undistributed portion of Clandestine Services funds will minimize the need to seek releases from the Agency Reserve for Contingencies during the early part of the fiscal year.

(2) Elimination of the paper work connected with issuing allotments and cost authorities to individual Staffs and Operating Divisions will cut down significantly the administrative workload not only in the Budget Division but also in the Budget and Fiscal Sections of the Clandestine Services offices.

(3) Greater flexibility will be provided in internal financial adjustments between components.

4. You will be notified by DD/P-PG of your target allocation for Fiscal Year 1961 in each of the four basic authorities. A schedule of these target allocations for all Clandestine Services Components will be furnished to the Finance Division, with changes from time to time, and will serve as the basis for their preparation of reports of expenditures and issues of property and the Cost Report.

5. You will be requested to submit to DD/P-PG a distribution schedule of your target allocations applicable to the existing cost accounts of your office.

6. Since the complete distribution schedule is deemed to be too cumbersome and in more detail than necessary for reporting fund obligations and cost authority encumbrances, we have, for management and review purposes, raised the cost center level by summarizing groups of cost accounts generally on a country activity basis, i.e., Support - ~~FI -~~ Restricted items will continue to be allotted and reported separately.

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
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7. Each office will report to SSA-DD/S monthly (second working day): (a) its cumulative fund obligations and cost authority encumbrances, at the country activity level, and (b) cumulative fund obligations against any individual allotments in its possession. SSA-DD/S will furnish the Finance Division with a consolidated Summary Obligation Report by allotment.

8. You will be informed of details of procedure and furnished with necessary forms by SSA-DD/S.

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