**which are not so limited. B-317636, Apr. 21, 2009. See section B of this chapter for a further discussion of the *bona fide* needs rule.**

## B. The *Bona Fide* Needs Rule

### 1. Background

**Page 5-13** – *Replace the first full paragraph with the following:*

While the rule itself is universally applicable, determination of what constitutes a *bona fide* need of a particular fiscal year depends largely on the facts and circumstances of the particular case. **B-308010, Apr. 20, 2007;** 70 Comp. Gen 469, 470 (1991); 44 Comp. Gen 399, 401 (1965); 37 Comp. Gen at 159.

**Page 5-15** – *Insert the following new section c., including the references to new footnote numbers 8a, 8b, 8c, and 8d, after the first full paragraph:*

#### c. "Parking" or "Banking" Funds

**"Parking" or "banking" funds are terms used to describe a transfer of funds to a revolving fund through an interagency agreement in an attempt to keep funds available for new work after the period of availability for those funds expires.[8a] Parking usually occurs when an agency transfers fixed-year funds to a revolving or franchise fund in the mistaken belief that, by doing so, the funds lose their fixed-year character and remain available indefinitely. However, an agency may not extend the availability of its appropriations by transferring them to another agency. B-288142, Sept. 6, 2001. Use of these expired parked funds violates the *bona fide* needs rule. An interagency agreement must be based upon a legitimate, specific, and adequately documented requirement representing a *bona fide* need of the year in which the order is made.**

**GAO has reported on the parking of funds through interagency agreements, and, over a period of several years, Department of Defense (DOD) officials, including the Comptroller, warned against the misuse of interagency agreements to park or bank funds.[8b] In addition, the Inspectors General for DOD and the Department of the Interior (Interior) have faulted their agencies for misusing interagency transactions in this fashion.[8c] In October 2006, the**

**Treasury issued a bulletin instructing ordering agencies to monitor the activity and age of an interagency order and where there has been no activity for more than 180 days, the ordering agency "shall determine the reasons for the lack of activity on the order." I TFM Bulletin No. 2007-03, Attachment I, ¶ III.B.2 (Oct. 1, 2006).**

**In a 2007 decision, GAO found that DOD improperly parked funds when it transferred fiscal year appropriations to an Interior franchise fund, GovWorks.[8d] B-308944, July 17, 2007. GovWorks was established to provide common administrative services to Interior and other agencies by procuring goods and services from vendors on behalf of federal agencies on a competitive basis. DOD used Military Interdepartmental Purchase Requests (MIPRs) to transfer funds to GovWorks but did not identify the specific items or services that DOD wanted GovWorks to acquire on its behalf until after the funds had expired. GAO concluded that DOD had improperly parked funds with GovWorks by transferring funds from one fiscal year for use by GovWorks for goods and services after the period of availability for those funds had expired. GAO pointed out that, by doing so, "officials of both agencies acted in disregard of . . . the *bona fide* needs rule." *Id.* at 13. *See also* B-318425, Dec. 8, 2009 (the Chemical Safety and Hazard Investigation Board's appropriation is not available to fund a proposed interagency agreement for identity cards and related maintenance services because the agreement did not specify a period of performance for the agreement, thus creating an open-ended obligation); B-317249, July 1, 2009 (because an order submitted through the General Services Administration's AutoChoice Summer Program is not finalized until October, the Natural Resources Conservation Service (NRCS) does not incur an obligation until October; NRCS may not obligate the appropriation current when it submits the order).**

**Several years later, the Justice Department relied on the GovWorks decision and related case law when it provided guidance to GSA and VA on the application of the bona fide needs rule to an interagency agreement. Under specific statutory authority independent of the Economy Act, GSA had agreed to help VA obtain a new contract for human resources services. Accordingly, in August 2010, VA obligated funds against an available appropriation. However, the agencies did not receive approval from OMB and OPM to use a certain procurement practice until September 2011. The agencies asked whether GSA could still perform under the agreement using**

**the funds originally obligated by VA in fiscal year 2010, which had now otherwise expired. Justice concluded that GSA could use those funds without running afoul of the bona fide needs rule. Justice determined that VA had a bona fide need for the services in fiscal year 2010 and did not appear to be improperly parking funds for use in a later fiscal year, as DOD had done in the GovWorks decision. The delay was apparently attributable to a new regulatory review process conducted by OMB and OPM. Memorandum Opinion for the General Counsel, Department of Veterans Affairs, and the General Counsel, General Services Administration, *Whether the General Services Administration May Proceed with an Assisted Acquisition for the Department of Veterans Affairs in Fiscal Year 2012 Using the Department's Fiscal Year 2009/2010 Funds*, OLC Opinion, Mar. 2, 2012, *available at* www.justice.gov/olc/memoranda-opinions.html.**

**Page 5-15** – *Insert the following as new footnote number 8a:*

**[8a] DOD, Undersecretary of Defense, Comptroller, Memorandum for the Assistant Secretary of the Army (Financial Management and Comptroller), *et al., Proper Use of Interagency Agreements for Non-Department of Defense Contracts Under Authorities Other than the Economy Act,* Mar. 24, 2005 (2005 DOD Memorandum).**

**Page 5-15** – *Insert the following as new footnote number 8b:*

**[8b] *See* GAO, *Interagency Contracting: Improved Guidance, Planning, and Oversight Would Enable the Department of Homeland Security to Address Risks,* GAO-06-996 (Washington, D.C.: Sept. 27, 2006); *Improper Use of Industrial Funds By Defense Extended the Life of Appropriations Which Otherwise Would Have Expired,* GAO/AFMD-84-34 (Washington, D.C.: June 5, 1984); 2005 DOD Memorandum; DOD, Undersecretary of Defense, Memorandum for the Chairman of the Joint Chiefs of Staff, *et al., Fiscal Principles and Interagency Agreements,* Sept. 25, 2003.**

**Page 5-15** – *Insert the following as new footnote number 8c:*

**[8c] DOD, Office of Inspector General, *FY 2005 DOD Purchases Made Through the Department of the Interior,* No. D-2007-044 (Jan. 16, 2007); Interior, Office of the Inspector General, *FY 2005***

***Department of the Interior Expenses Made on Behalf of the Department of Defense*, No. X-IN-MOA-0018-2005 (Jan. 9, 2007).**

**Page 5-15** – *Insert the following as new footnote number 8d:*

**[8d] GovWorks is officially known as the Acquisition Services Directorate.**

## 2. Future Years' Needs

**Page 5-17** – *Insert the following after the first partial paragraph:*

**An interesting situation involving a contract with renewable options arose in B-308026, Sept. 14, 2006. The National Labor Relations Board (NLRB) entered into a contract with Electronic Data Systems for the acquisition of ongoing operational and technical support for its automated Case Activity Tracking System. The contract's initial performance period was October 1, 2001, through September 30, 2002, with options through September 30, 2015. On September 30, 2005, NLRB exercised option four, specifying a performance period of October 1, 2005, through September 30, 2006, and charged the obligation to its fiscal year 2005 appropriation. In a June 2006 report, the NLRB Inspector General concluded that NLRB had improperly obligated its fiscal year 2005 appropriation because obligating the fiscal year 2005 appropriation for the performance of severable services that would occur entirely in fiscal year 2006 was a violation of the *bona fide* needs rule. The Inspector General said that NLRB should charge the obligation against its fiscal year 2006 appropriation. NLRB proposed to remedy its improper obligation by modifying the contract to have the performance period of the contract run from September 30, 2005, through September 29, 2006, instead of October 1, 2005, through September 30, 2006. NLRB explained that it had intended a performance period commencing September 30, 2005, but due to an inadvertent ministerial error this was not reflected in the contract. GAO agreed with the Inspector General. GAO said that, given the terms of the contract, NLRB had incurred an obligation against its fiscal year 2006 appropriation and that NLRB should adjust its accounts accordingly. NLRB could not remedy its improper obligation by adjusting its contract's performance period instead of its accounts.**

> **"It is one thing for an agency to take full advantage of available appropriations, maximizing the effectiveness of federal funds entrusted to its use; it is quite another thing, however, for an agency to alter executed contracts in order to reach expired funds—funds that Congress appropriated for agency programs and activities of the previous fiscal year. That is what NLRB proposes to do. Were NLRB to adjust the fourth option's performance period, its sole reason for doing so would be to reach fiscal year 2005 appropriations because, in September 2005, that is what NLRB had intended to do. However, NLRB's fiscal year 2005 appropriation has expired.**
>
> **. . . Instead of adjusting its obligations to reflect what actually occurred, NLRB would revise what actually occurred so that it can finance option four with fiscal year 2005 funds. . . . The account adjustment authority of [31 U.S.C. § 1553(a)] is not a palliative for errors of this** sort."

**B-308026, Sept. 14, 2006, at 5–6 (footnote omitted).**

**Page 5-17** – *Insert the following after the first full paragraph:*

**In 2007, GAO considered how this related to seven end-of-the-fiscal year subscription renewals. The National Labor Relations Board (NLRB) purchased seven Web site database subscriptions to support the work of its attorneys and other professionals. B-309530, Sept. 17, 2007. In September 2006, NLRB placed orders to renew each of these subscriptions with the respective vendors, stating that it needed to have the orders placed for the renewal before the existing subscriptions expired in order to ensure uninterrupted delivery. Each order placed was for a period of one year beginning on the day following the expiration of the existing subscription and, for each, the agency obligated its fiscal year 2006 annual appropriation. For five subscriptions, the performance period was from October 1, 2006, to September 30, 2007; for two subscriptions, the performance period was from November 1, 2006, to October 31, 2007. *Id.* GAO determined that NLRB did not violate the *bona fide* needs rule for the five Web site database subscription renewals that it needed to have in place on**

**October 1, 2006, the first day of fiscal year 2007. Even though delivery of the renewed subscriptions would occur entirely in fiscal year 2007, NLRB reasonably determined that the renewal orders needed to be placed in fiscal year 2006 to ensure continued receipt of the subscriptions past the expiration of the existing subscriptions on September 30, 2006. *Id.* However, NLRB violated the *bona fide* needs rule when it obligated fiscal year 2006 funds to renew the two Web site database subscriptions that were not due to expire until October 31, 2006. These subscription renewals were a *bona fide* need of fiscal year 2007 for which fiscal year 2007 appropriations should have been used. *Id.***

**Page 5-17** – *Replace the second full paragraph with the following:*

Yet, this is only one side of the coin. The other side is illustrated in another passage from 8 Comp. Dec. at 348:

> "An appropriation is just as much available to supply the needs of the [last day] of a particular year as any other day or time in the year."

Thus, a year-end obligation perhaps raises the possibility that the agency is trying to "dump" its remaining funds and warrants a further look, but the timing of the obligation does not, in and of itself, establish anything improper. 38 Comp. Gen. 628, 630 (1959); 6 Comp. Dec. 815, 818 (1900). ***See also* B-322455, Aug. 16, 2013 (reiterating that an agency must have a *bona fide* need to support a year-end obligation, "not a mere need to use up remaining dollars before the end of the fiscal year").**

## 5. Services Rendered beyond the Fiscal Year

**Page 5-24** – *Replace the second paragraph after the quote with the following:*

The rationale of 23 Comp. Gen 370 was applied in 59 Comp. Gen 386 (1980) (requisition for printing accompanied by manuscript sufficient for Government Printing Office to proceed with job). *See, e.g.*, **B-317139, June 1, 2009 (contract for the design, development, and deployment of a financial intelligence data retrieval system);** 65 Comp. Gen 741 (1986) (contract for study and final report on psychological problems among Vietnam veterans); B-257977, Nov. 15, 1995 (contract for two-year intern training program since interns are required to complete entire training program to be eligible for noncompetitive Presidential

Management Intern appointment). *See also* **B-305484, June 2, 2006 (appointment of an arbitrator to hear a case is in the nature of a nonseverable service and the National Mediation Board should record an obligation of the current appropriation based on the estimated cost of paying the arbitrator to submit an award);** 73 Comp. Gen 77 (1994) (subsequent modifications to Fish and Wildlife Service research work orders should be charged to the fiscal year current when the work orders were issued since the purpose of the research is to provide a final research report and the services under the contract are nonseverable). The last **two decisions are** noteworthy because they pointed out that **limitation of funds clauses or subject to availability clauses** do not affect the application of the *bona fide* needs rule and the severable test. **B-305484;** 73 Comp. Gen at 80.

**Page 5-27** – *Replace the first full paragraph with the following:*

**As a general matter, the relevant date to ascertain whether training is a *bona fide* need of a particular fiscal year is the date that the training is delivered. B-321296, July 13, 2011. Thus, the cost of training ordinarily is properly charged to the appropriation available in the fiscal year in which the training is delivered. However, in some limited circumstances, training may be a *bona fide* need of the fiscal year prior to the fiscal year in which the training is delivered. 70 Comp. Gen 296 (1991). For example, the prior year's appropriation may be used for training occurring in the subsequent fiscal year, where the training provider requires the agency to register during the expiring fiscal year, the training date offered is the only one available, and the time between the registration and the training is not excessive. *Id.*** In 70 Comp. Gen 296, training that began the first day of fiscal year 1990 was held chargeable to 1989 appropriations where the training had been identified as a need for 1989. ***Compare* B-321296 (where training was delivered in January 2011 and registration not required until October 15, 2010, such training was a *bona fide* need of fiscal year 2011 even though the need for training was identified in fiscal year 2010).** Training **also** tends to be nonseverable. Thus, where a training obligation is incurred in one fiscal year, the entire cost is chargeable to that year, regardless of the fact that training may extend into the following year. B-233243, Aug. 3, 1989; B-213141-O.M., Mar. 29, 1984.

## 6. Replacement Contracts

**Page 5-32** – *Replace the third paragraph with the following:*

Logically and inevitably, the next question would be why the rule should not be the same regardless of whether the defect leading to termination is determined by an external reviewing body or by the contracting agency itself. It should make no difference, GAO concluded in 70 Comp. Gen 230 (1991). The essence of the problem—a legal impropriety in the procurement process requiring corrective action—is no different. Thus, the replacement contract rule, with its attendant conditions, applies where the contracting agency determines that a contract award was improper and terminates the contract for the convenience of the government, provided there is clear evidence that the award was erroneous and the agency documents its determination with appropriate findings of fact and law. *Id.* ***See also* B-322628, Aug. 3, 2012 (finding that an agency may award a replacement grant where a grant officer discovers a defect in the competitive selection process).**

## 7. Contract Modifications and Amendments Affecting Price

**Page 5-34** – *Replace the first full paragraph with the following:*

In the case of a contract for severable services, a modification providing for increased services must be charged to the fiscal year or years in which the services are rendered, applying the principles discussed in this chapter in section B.5.[20] 61 Comp. Gen. 184 (1981), *aff'd upon reconsideration*, B-202222, Aug. 2, 1983; B-224702, Aug. 5, 1987. *See also* **B-322455, Aug. 16, 2013**; B-235086, Apr. 24, 1991. In 61 Comp. Gen. 184, for example, a contract to provide facilities and staff to operate a project camp was modified in the last month of fiscal year 1980. The modification called for work to be performed in fiscal year 1981. Regardless of whether the contract was viewed as a service contract or a contract to provide facilities, the modification did not meet a bona fide need of fiscal year 1980. The modification amounted to a separate contract and could be charged only to fiscal year 1981 funds, notwithstanding that it purported to modify a contract properly chargeable to fiscal year 1980 funds.

**Page 5-36** – *Replace the last paragraph with the following:*

As noted above, there is an important exception or qualification to the antecedent liability rule. In cost reimbursement contracts, discretionary cost increases (*i.e.*, increases which are not enforceable by the contractor), which exceed funding ceilings established by the contract may be charged

to funds currently available when the discretionary increase is granted by the contracting officer. 61 Comp. Gen 609 (1982). It would be unreasonable, the decision pointed out, to require the contracting officer to reserve funds in anticipation of increases beyond the contract's ceiling. *Id.* at 612. Changes that do not exceed the stipulated ceiling continue to be chargeable to funds available when the contract was originally made (*id.* at 611), as do amounts for final overhead in excess of the ceiling where the contractor has an enforceable right to those amounts (*id.* at 612). Since prior decisions such as 59 Comp. Gen 518 had not drawn the below-ceiling/above-ceiling distinction, 61 Comp. Gen 609 modified them to that extent. **Other cases applying this approach are B-317139, June 1, 2009 and** 65 Comp. Gen 741 (1986).

## 8. Multiyear Contracts

**Page 5-39** – *Replace the first sentence of the second full paragraph with the following:*

If an agency does not have specific multiyear contracting authority but enters into a multiyear contract solely under authority of a multiple year or no-year appropriation, the full contract amount must be obligated at the time of contract award. ***See, e.g.,* B-322160, Oct. 2, 2011;** B-195250, July 11, 1979.

**Page 5-41** – *Replace the first full paragraph with the following:*

If an agency is contracting with fiscal year appropriations and does not have multiyear contracting authority, **one** course of action, apart from a series of separate fiscal year contracts, is a fiscal year contract with renewal options, with each renewal option (1) contingent on the availability of future appropriations and (2) to be exercised only by affirmative action on the part of the government (as opposed to automatic renewal unless the government refuses). *Leiter v. United States*, 271 U.S. 204 (1926); 66 Comp. Gen 556 (1987); 36 Comp. Gen 683 (1957); 33 Comp. Gen. 90 (1953); 29 Comp. Gen 91 (1949); 28 Comp. Gen 553 (1949); B-88974, Nov. 10, 1949. The inclusion of a renewal option is key; with a renewal option, the government incurs a financial obligation only for the fiscal year, and incurs no financial obligation for subsequent years unless and until it exercises its right to renew. The government records the amount of its obligation for the first fiscal year against the appropriation current at the time it awards the contract. The government also records amounts of obligations for future fiscal years against appropriations current at the time it exercises its renewal options. The mere inclusion of a

contract provision conditioning the government's obligation on future appropriations without also subjecting the multiyear contract to the government's renewal option each year would be insufficient. *Cray Research, Inc. v. United States*, 44 Fed. Cl. 327, 332 (1999). Thus, in 42 Comp. Gen 272 (1962), the Comptroller General, while advising the Air Force that under the circumstances it could complete that particular contract, also advised that the proper course of action would be either to use an annual contract with renewal options or to obtain specific multiyear authority from Congress. 42 Comp. Gen at 278.

**Page 5-43** – *Insert the following after the quoted language in the first partial paragraph:*

**Another course of action for an agency with fiscal year money to cover possible needs beyond that fiscal year is an indefinite-delivery/indefinite-quantity (IDIQ) contract. An IDIQ contract is a form of an indefinite-quantity contract, which provides for an indefinite quantity of supplies or services, within stated limits, during a fixed period. 48 C.F.R. § 16.504(a). Under an IDIQ contract, actual quantities and delivery dates remain undefined until the agency places a task or delivery order under the contract. When an agency executes an indefinite-quantity contract such as an IDIQ contract, the agency must record an obligation in the amount of the guaranteed minimum purchase. At the time of award, the government commits itself to purchase only a minimum amount of supplies or services and has a fixed liability for the amount to which it committed itself. *See* 48 C.F.R. §§ 16.501-2(b)(3) and 16.504(a)(1). The agency has no liability beyond its minimum commitment unless and until it places additional orders. An agency is required to record an obligation at the time it incurs a legal liability. 65 Comp. Gen 4, 6 (1985); B-242974.6, Nov. 26, 1991. Therefore, for an IDIQ contract, an agency must record an obligation for the guaranteed minimum amount at the time of contract execution. *See, e.g.,* B-318046, July 7, 2009 (in the absence of reliable historical usage data, an agency may use $500 as the guaranteed minimum for IDIQ contracts, which amount must be obligated at the time of award). In B-302358, Dec. 27, 2004, GAO determined that the Bureau of Customs and Border Protection's (Customs) Automated Commercial Environment contract was an IDIQ contract. As such, Customs incurred a legal liability of $25 million for its minimum contractual commitment at the time of contract award. However, Customs failed to record its $25 million**

**obligation until five months after contract award. GAO determined that to be consistent with the recording statute, 31 U.S.C. § 1501(a)(1), Customs should have recorded an obligation for the contract minimum of $25 million against a currently available appropriation for the authorized purpose at the time the IDIQ contract was awarded.**

**In establishing the guaranteed minimum quantity in an IDIQ contract, an agency must consider both contracting and appropriations law principles. The guaranteed minimum must not only constitute sufficient consideration to make the contract binding, but also reflect the *bona fide* needs of the agency at the time of execution of the contract. B-321640, Sept. 19, 2011, at 6.**

## 9. Specific Statutes Providing for Multiyear and Other Contracting Authorities

**Page 5-44** – *Replace the last paragraph with the following:*

There are several general authorities to contract across a fiscal year or to enter into multiyear contracts. For example, 41 U.S.C. § **3902** authorizes the heads of executive agencies to enter into procurement contracts for severable services for periods beginning in one fiscal year and ending in the next fiscal year as long as the contracts do not exceed one year. It permits agencies to obligate the total amount of the contract to appropriations of the first fiscal year. Without specific statutory authority such as this, such action would violate the *bona fide* needs rule (*see* section B.5 of this chapter). Section **3902**, in effect, redefines for an agency that elects to contract under authority of section **3902** its *bona fide* need for the severable services for which it is contracting. Related statutes extend this authority to various legislative branch entities.[29] Similarly, 10 U.S.C. § 2410a authorizes the military departments to use current fiscal year appropriations to finance severable service contracts into the next fiscal year for a total period not to exceed one year. GAO states in B-259274, May 22, 1996, that "[t]he purpose of 10 U.S.C. § 2410a is to overcome the *bona fide* needs rule," which is another way of saying that Congress has provided the military departments with authority to properly enter into a contract not to exceed one year that crosses fiscal years. The statute specifically authorizes the departments to obligate "[f]unds made available for a fiscal year . . . for the total amount of a contract entered into" under section 2410a(a). ***Cf.* B-317636, Apr. 21, 2009 (an agency using multiple year or no-year appropriations rather than fiscal year appropriations to fund a severable services contract does not**

**need to refer to 41 U.S.C. § 3902 or 10 U.S.C. § 2410a to achieve this same flexibility).**

**Page 5-46** – *Replace section 2 and the last paragraph with the following:*

(2) **41 U.S.C. § 3903**

The Federal Acquisition Streamlining Act of 1994 (FASA) and related statutes extended multiyear contracting authority with annual funds to nonmilitary departments.[30] FASA authorizes an executive agency to enter into a multiyear contract for the acquisition of property, which includes leases of real property, or services for more than one, but not more than five years, if the agency makes certain administrative determinations. 41 U.S.C. § **3903**; **B-322455, Aug. 16, 2013**; B-316860, Apr. 29, 2009. Related laws extend this authority to various legislative branch agencies.[31] Through FASA and the related laws, Congress has relaxed the constraints of the *bona fide* needs rule by giving agencies the flexibility to structure contracts to fund the obligations up front, incrementally, or by using the standard *bona fide* needs rule approach. B-277165, Jan. 10, 2000. To the extent an agency elects to obligate a five-year contract incrementally, it must also obligate termination costs. *Cf.* B-302358, Dec. 27, 2004 (since the contract at issue was an indefinite-delivery, indefinite-quantity contract, it was not subject to the requirements of **FASA** and the agency did not need to obligate estimated termination costs at the time of contract award).

**FASA authorizes agencies to enter into a multiyear contract for the acquisition of both nonseverable and severable services. B-322455. Suppose an agency wants to contract for an annual report, which we previously established was a nonseverable service.[31a] FASA allows an agency to enter into a multiyear contract for both a report this year and a report for the next four years. The agency can either: (1) obligate funds upfront to cover the costs of all five reports or (2) obligate funds for the first fiscal year, plus estimated termination costs. 41 U.S.C. § 3903(b)(1). Now suppose an agency wants to contract for window washing services, which are severable services.[31b] FASA permits an agency to enter into a multiyear contract for up to five years worth of window washing services. Similarly, the agency can either obligate funds upfront or obligate funds on a fiscal-year basis, plus estimated termination costs. *Id.***

**In B-322455, GAO stressed that FASA requires agencies to establish a *bona fide* need for some services at the time of the contract, despite the fact that additional services will be rendered in future fiscal years. B-322455, at 5–9. Generally, an agency will violate the *bona fide* needs rule if it enters into a multiyear contract in one fiscal year for services that do not begin until the next fiscal year. Similarly, an agency would violate the *bona fide* needs rule if it modified a contract in one fiscal year to acquire services to be rendered in a future fiscal year.[31c]**

**Page 5-46 –** *Insert the following as new footnote numbers 31a through 31c:*

**[31a] Despite the fact that a contractor will develop and draft the report throughout the fiscal year, the agency does not receive the full benefit of the report until it is delivered.**

**[31b] These services are severable because the agency receives the full benefit of the service every time the contractor cleans the windows.**

**[31c] In addition to the *bona fide* needs rule, the agency would violate the Antideficiency Act, which prohibits the obligation or expenditure of funds in advance of available appropriations. 31 U.S.C. § 1341(a)(1)(B). We discuss the Antideficiency Act in Chapter 6.**

## C. Advance Payments

### 1. The Statutory Prohibition

**Page 5-53** – *Insert the following before the first full paragraph:*

**Another example of a statutory exception was considered in B-306975, Feb. 27, 2006. The National Archives and Records Administration (NARA) stores temporary and pre-archival records that belong to it and other federal agencies in its Records Center Programs Facilities. Other federal agencies may enter into agreements with NARA to transfer and store records at the NARA records centers. The Treasury and General Appropriations Act, 2000, established the Records Center Revolving Fund to pay for expenses and equipment necessary to provide the storage and**