



Eddie Bazu Calvo
Governor
Ray Tenorio
Lieutenant Governor

DEPARTMENT OF ADMINISTRATION
(DIPATTAMENTON ATEMENSTRASION)
DIRECTOR'S OFFICE
(Ufisinan Direktot)

590 South Marine Corps Drive
Suite 224, GITC Building, Tamuning, Guam 96913
Post Office Box 884 * Hagatña, Guam 96932
Tel: (671) 475-1101/1250 * Fax: (671) 477-6788



Christine W. Baleta
Director

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Department of Administration Organization Circular No. 2017-003

To: All Department and Agency Heads
From: Director, Department of Administration
Subject: Establishment and Management of Fund Accounts outside of the Department Of Administration and Financial Management Requirements

Buenas yan Håfa Adai! This circular is will serve as a reminder to all executive branch departments, agencies and entities who fall under the purview of the Department of Administration's Division of Accounts regarding the Establishment and Management of Fund Accounts.

Article 2 of Chapter 22 of Title 5 of the Guam Code Annotated (5 GCA 22) mandated the Director of Administration (DOA) to "establish and administer the Central Accounting Office of the government of Guam". All tasks related to the establishment and management of fund accounts for any department or agency must be through DOA. Departments and/or agencies may not accept nor disburse funds outside of DOA's purview without specific legislative authority to do so. Please be mindful of the following laws related to this circular's subject matter.

§22101 provides that: The Treasurer of Guam or his designated agent, shall receive, and account for all monies, from whatever source, giving proper authenticated receipts for the same.

§22108 provides that: (a) The Governor, may, when he deems it necessary and proper, create, establish and continue from appropriated funds or services fees, revolving or other special funds to be used in providing services and in maintaining such activities of the government of Guam. (b) Such revolving or other special funds, if and when created and established, shall be maintained separate and apart from any other funds of the government of Guam, and independent records and accounts shall be maintained in connection therewith as prescribed by the Director of Administration.

§22202 provides that: The Director of Administration shall establish and administer the Central Accounting Office of the government of Guam, which will constitute the central accounting agency for the efficient management of a system of accounts.

§22305 provides that: The General Fund will not be burdened with expenditures for Federal projects.

§22306 provides that: Expenditure of public funds in violation of laws, rules, regulations, or guidelines established for the program shall void the appropriation for the program and the amount expended in violation shall be due and payable to the government of Guam by the officer or employee responsible for the act.

§22401 (a) provides that: No officer or employee of the government of Guam, including the Governor of Guam, shall: (1) Make or authorize any expenditure or create or authorize any obligation; (2) Commence, continue or proceed with any operational activity, construction, improvement, contract or other obligation; (3) Involve the government of Guam in any contract or obligation; (4) Employ personnel or accept voluntary service except as authorized by law; (5) Involve the government of Guam in any contract, or other obligation for the payment of money in support of, or against the enactment of pending measure by the Legislature.

§22401 (e) provides that: Any violation of this section by any officer or employee of the Executive Branch shall be reported at once to the Governor by the head of the department or agency concerned, and the Governor shall furnish a report thereon, including the action taken, to the Legislature.

Please also note the following statues under 4 GCA 14 which may be applicable to violations.

§14110: *Violations of Appropriations and Transfer.* “No agency shall contract or agree to spend any money for goods or services or in settlement of a lawsuit or claim in excess of the amount appropriated by *I Liheslatura* (the Legislature) to that Agency for such goods, services, claim, or settlement, and BBMR shall not allot funds to that agency for the payment of any amount towards such goods, services, claim, or settlement is more than the amount appropriated or amount allotted by BBMR. Any agency head or certifying officer who knowingly contracts or agrees to spend any money in excess of said appropriations shall be guilty of a misdemeanor.”

§14117: *Violations.* “In addition to any penalty contained in any other provisions of Guam law, any such officer, member or employee who shall knowingly and intentionally violate any of the provisions of this Chapter may be fined, suspended or removed from office or employment in the manner provided by law.”

It is our hope that every entity, department and agency of the Executive Branch continue to remain compliant to the mandates. Should you have any questions, please feel free to contact my office at 475-1101.

Thank you for your kind attention to this matter.

Si Yu'os Ma'āse,



CHRISTINE W. BALETO
Director