1. Purpose

a. The purpose of this instruction is to ensure that the Department of the Navy (DON) has a financial management (FM) organization capable of proper and effective administration of funds that complies with applicable laws, regulations, policies, procedures and sound financial practices; and that provides reliable financial information that is complete, consistent, and timely to deter fraud, waste, and abuse of Government resources. Reference (a) requires executive agencies to have a system of administrative controls on the obligations and expenditures from each appropriation. References (b), (c) and (d) establish the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN(FM&C)) as the Secretary’s principal financial advisor, with sole responsibility for comptrollership. The ASN (FM&C) is responsible for all matters relating to FM and for the allocation of all appropriations and funds available to the DON. This instruction defines comptroller responsibilities and provides guidance for establishment, periodic review and approval of comptroller organizations in the DON;

b. This instruction is a complete revision and should be
reviewed in its entirety. The revised instruction addresses training requirements, clarifies certain delegations of authority, defines certain position descriptions and includes additional reporting requirements.

2. **Cancellation.** SECNAVINST 7000.27B.

3. **Definitions.** For the purposes of this instruction, comptroller is defined as the senior financial manager and advisor to the service chief, commander or commanding officer. A comptroller is responsible for oversight of financial activities such as accounting, budgeting, financial management and associated internal controls.

4. **Applicability.** This instruction applies to the Office of the Secretary of the Navy (SECNAV), the Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), all U.S. Navy and U.S. Marine Corps installations, commands, activities, and field offices, and all other organizational entities within the DON.

5. **Policy.** Enclosure (1) provides detailed contents of the policies regarding the DON’s Comptroller Authorities and Responsibilities. Enclosure (2) provides submission requirements for the review of comptroller organizations when they are established or changed and for the periodic review of Budget Submitting Office (BSO) comptrollers by ASN(FM&C).

6. **Responsibilities.**

   a. The ASN(FM&C), or his or her designee, will approve all comptroller organizations, following requirements contained in enclosures (1) and (2), for Navy and Marine Corps commands designated as BSOs.

   b. The BSOs shall approve subordinate commands’ comptroller organizations. These commands and organizations will ensure their respective comptroller organizations are established or revised to comply with this instruction.

   c. The organizational placement and adequacy of comptroller organizations, including the adequacy of FM and comptroller training, should be reviewed during command inspections.
7. **Action**

   a. **Reviewing Authorities.** All BSOs will utilize guidance contained in enclosures (1) and (2) to review and approve subordinate command comptroller organizations. Reviewing authorities will formally notify each command in writing via the chain of command of approval or disapproval of the proposed organization. When disapproving an organization’s proposed alignment or realignment, the reviewing authority will provide the basis for the disapproval and required corrective action.

   b. **Commands and Activities.** Each DON command or activity with a requirement for a comptroller will apply the standards provided in enclosure (2) in developing new or revising existing comptroller organizations. The documentation specified in enclosure (2) will be submitted for approval via the chain of command.

   c. **Periodic Reviews.** The ASN(FM&C), or his or her designee, will review BSO comptroller organizations on a phased basis ensuring a review once every five years. Due dates will be issued under separate cover. BSOs will conduct periodic reviews of their subordinate comptroller organizations on the same phased cycle.

8. **Records Management**

   a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned according to the records disposition schedules found on the Directives and Records Management Division (DRMD) portal page: [https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx](https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/SitePages/Home.aspx)

   b. For questions concerning the management of records related to this instruction or the records disposition schedules, please contact your local Records Manager or the DRMD program office.
9. Forms and Reports Control. Reports contained within enclosure (1), paragraph c7, paragraph 13 and enclosure (2), paragraph 4, 5a and 6 are exempt from reports control per SECNAV Manual 5214.1, Part IV, paragraph 7p.

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Assistant Secretary of the Navy
(Financial Management & Comptroller)

Distribution:
Electronic only, via Navy Directives Issuances Web site
https://www.secnav.navy.mil/doni
1. **Policy**

a. The commanding officer or head of an activity that receives allocations or sub-allocations of funds subject to the Anti-deficiency Act (section 1341 or section 1517 of title 31, United States Code (U.S.C.)) shall have a qualified comptroller who reports directly to the commanding officer or head of an activity (e.g. Director, Head, etc).

b. The commanding officer or head of an activity is responsible for establishing, monitoring for effectiveness and improving internal control systems consistent with the Department of the Navy (DON) Managers’ Internal Control Program (reference (e) and associated guidance) to ensure that:

   (1) All available funds are identified, controlled and recorded in the official accounting records from the time received until liquidated and canceled;

   (2) All available funds are identified with authorized purposes by account and period of availability for new obligations and period of availability for expenditures (section 1301 and section 1502 of title 31, U.S.C.);

   (3) All special and recurring provisions and limitations on the obligation and expenditure of funds are identified and documented for all available funds and accounts;

   (4) All proposed obligations of funds are reviewed to ensure that sufficient funds are available to cover the obligations, that the purpose of the obligations is consistent with the authorized purposes of the funds or accounts and that the obligation does not violate any special or recurring provisions and limitations on the incurrence of obligations;

   (5) Accounting transactions are recorded in the correct reporting period;

   (6) Internal control requirements apply to all appropriations and funds provided to the command by apportionments, allocations, allotments, reimbursable orders or other means;
(7) In support of financial statement audits, all documentation associated with financial transactions are well documented, maintained and accessible, per guidance contained in Volume 1, Chapter 9, Financial Records Retention of reference (f).

c. The comptroller shall comply with the requirements set forth in this instruction, associated references and applicable statutes. The comptroller has overall responsibility for budget execution, accounting, and financial management analysis. This includes, but is not limited to the following:

(1) Prompt recording of authorizations, commitments, and obligations in budgetary accounts;

(2) Prompt recording of assets, liabilities, and expenses in proprietary accounts;

(3) Monitoring the processes of pre-validation and certification of payments;

(4) Ensuring compliance with the DON Quadrennial Review of commitments, obligations, accounts payable, unfilled customer orders and accounts receivable, in addition to any DON specific implementing guidance;

(5) Issuing and accepting funding documents which obligate direct appropriations, working capital or customer funds;

(6) Timely billing of costs incurred against funding documents and the prompt matching of collections associated with those billings;

(7) Certifying completeness and accuracy of those transactions included in financial statements and reports prepared by the Defense Finance and Accounting Service on behalf of the activity.

d. Budget Submitting Office (BSO) comptrollers shall evaluate the performance of comptrollers at all subordinate activities to which they provide funds. This includes ensuring that comptroller organizations are properly established and that comptroller personnel are trained to fulfill their
responsibilities, including obtaining their Department of Defense (DoD) Financial Management (FM) Certification. Training requirements are addressed in paragraph 1.1.

e. Any military member or civilian employee who fails to comply with applicable laws, regulations, policies, or procedures may be in violation of the Anti-Deficiency Act.

f. Delegation of fiduciary authority

(1) Responsibility of Allocation Holders. The Office of the Assistant Secretary of the Navy (Financial Management & Comptroller) (OASN(FM&C)) allocates funds to service chiefs or heads of major commands, offices or bureaus who may elect to pass to the organizational comptroller all financial responsibility under section 1517 of title 31, U.S.C. If the head of the command or organization chooses to delegate this authority, he or she shall designate in a formal memorandum, including the person(s) name to whom this authority is granted, the appropriation accounts involved and the specific responsibility and authority delegated. The comptroller may then delegate in writing, authority and responsibility for section 1517 of title 31, U.S.C. to other individual(s) within the comptroller organization.

(2) Responsibility of Sub-allocation Holders. The Head of an activity that receives a sub-allocation of funds from a Navy or Marine Corps organization is responsible under section 1517 of title 31, U.S.C. for the administration of all authorizations of funds granted to the commanding officer. If the commanding officer of an activity chooses to delegate this authority, he or she shall designate to the comptroller by name, in writing, the appropriation accounts involved and the specific responsibility and authority delegated. The comptroller may then delegate in writing, authority and responsibility for section 1517 of title 31, U.S.C. to other named individual(s) within the comptroller organization.

(3) Responsibility of Non-Comptroller Personnel. Only designated comptroller personnel may accept or issue funding documents. However, there are certain limited types of actions, such as travel, training, supplies and purchase card items, which also obligate funds. Within an established internal control system, non-comptroller personnel may be authorized to issue
these limited types of actions if the authority has been delegated in writing by the commanding officer, head of the activity or the comptroller.

(4) Responsibility for Journal Vouchers. Guidance for the delegation of authority for recording business entries including Journal Vouchers (JV) is provided by ASN(FM&C).

(5) Delegation Authority Documentation. The delegation authorities mentioned in paragraphs 1(f)1 through 1(f)4 must be documented by formal memorandum that includes name, position title, appropriations involved and specific authority delegated. For authority to post JVs, also include the dollar limit threshold delegated to each individual. Copies of all delegations must be retained, per Volume 1, Chapter 9 of reference (f) in support of financial statement audits. Additionally, delegation authority memoranda must be current and updated upon the change of a commander, commanding officer, comptroller or personnel assignment.

(6) Difference Between Delegation of Authority for Funds Control and Delegation of Authority for Disbursing Functions. Volume 14, Chapter 1 of reference (f) requires delegation of authority in writing for the administrative control of funds. This delegation shall follow the requirements of paragraph (5), and a DD Form 577 shall not be used. Per Volume 5, Chapter 5 of reference (f), delegation of authority memoranda for certification of fund availability is notably different from the certification of a voucher for payment. Paragraph 050202 states the following:

(a) Certification of Fund Availability. As key fund control personnel, resource managers must certify fund availability before goods and/or services are ordered based on funding authorizations that allow incurrence of obligations for which the U.S. government will make a payment at some future date. This does not create pecuniary liability consequences under either 31 U.S.C. §3527 or §3528, but may have Anti-deficiency Act implications.

(b) Certification of a Voucher for Payment. This is an attestation by a properly appointed and trained certifying officer that a voucher is correct and proper for payment. Such certification normally occurs before payment, but may occur
simultaneously with receipt of and payment for goods and/or services, particularly in tactical situations. Only persons properly appointed on a DD 577 may make these certifications.

g. Organizational Placement. The comptroller and his or her staff will be clearly identified on the command’s organizational charts and in billet or position descriptions. The comptroller and staff will report directly to the head of the activity (e.g., commander, commanding general, commanding officer, superintendent or director), since the head of the activity is ultimately responsible for proper execution of funds. Comptrollers may report via vice commanders, deputies, chiefs of staff, executive officers, or similar positions, for administrative (non-financial) purposes only, however, the comptroller may not be subordinated by more than one level beneath the head of the activity. The comptroller must have direct, unfettered, and unfettered access to the head of the activity with full command authority. Practices regarding placement of comptroller functions (e.g. subordinating the comptroller to a business or corporate operations manager) which may be acceptable in the private sector, are not applicable in the DON and are prohibited.

h. Organizational Responsibilities

(1) Comptroller Responsibilities. Responsibility for overall financial management assigned to the comptroller must be clearly defined without overlap into other organizational entities. The responsibility and the authority to establish policy for proper control of funds is delegated to the comptroller. Beyond his or her value as a prudent manager of resources and as a key advisor, one of the most critical roles a comptroller can perform for the commander is to guard against inadvertent or deliberate violations of statute or regulation. Fund control personnel (commanding officers, comptrollers and comptroller personnel delegated responsibilities regarding the administrative control of funds) are authorized to issue and accept funding documents unless otherwise noted in this instruction. Delegation of fund control responsibility will be exercised in accordance with per paragraph 1.f of this enclosure.

(2) Non-Comptroller Responsibilities. Contracting officials, public works officers and other program officials may recommend acceptance of funding documents to the comptroller and
may prepare funding documents to be signed by the commanding officer, comptroller or fund control personnel. Non-comptroller personnel may be authorized to issue routine, small dollar value, obligating documents, such as travel orders, requests for training or supplies, Military Standard Requisitioning and Issue Procedures (MILSTRIP), and purchases made via government purchase card, if the delegation to sign these documents is made to named individuals in writing per paragraph 1.f.

i. Comptroller Qualifications. The complex and enduring nature of comptroller functions requires the military member or civilian employee placed in these positions to have an in-depth expertise in both financial and general management. He or she should have keen analytical skills, be capable of making discriminating judgments and be able to express conclusions and recommendations concisely and effectively. Comptrollers must ensure that their organizations are staffed with qualified personnel with knowledge and experience in budgeting, finance, financial management analysis and accounting matters to effectively address issues that may arise. The title of comptroller is reserved for positions and individuals who perform the function described in this instruction. As senior personnel, the comptroller and deputy comptroller positions must be aligned with the 0505 FM job series to reflect the size and complexity of their responsibilities. The term Chief Financial Officer (CFO) is limited to the DoD Comptroller, per the CFO Act of 1990 and shall not be used for any other position title.

j. Assignment of Other Responsibilities. Other functions may be assigned to the comptroller organization. These functions may include the internal control program, external audit coordination, administration, facilities management, etc. If additional functions are assigned to the comptroller, care needs to be taken to: 1) avoid potential conflicts of interest to ensure proper separation of duties; and 2) ensure adequate staff time is available for the comptroller’s primary responsibility to the head of the activity for FM matters. In cases where the command includes non-comptroller functions, the comptroller must be the department head.

k. Adequate Staffing. The comptroller staff must have the realistic capability of exercising its responsibilities and authority in the areas under the comptroller’s purview. In addition to having adequate numbers of personnel assigned, this
also applies to the need to recruit and retain capable, trained and experienced staff members.

1. Training and Development

(1) The DON civilian and military FM workforce must continuously improve its knowledge, skills, and abilities to support mission accomplishment. Career development in the DON requires both individual initiative in career planning activities and organizational commitment to support workforce development. Commands shall support training and development opportunities for the comptroller staff, including requirements of the DoD FM Certification Program, and other certification programs such as Certified Public Accountant and Certified Defense Financial Manager.

(2) Per the Roles and Responsibilities outlined in reference (g), all DON fund control personnel are required to take the DON Budget Execution Course once in their tenure. The course provides a broad overview of the DON execution process, including instruction on the proper issuance and acceptance of funding documents. DON Budget Execution Course training must be documented and retained by the DON command or activity comptroller. The DON Budget Execution Course can be found on the DoD Management FM Online Website along with other training resources.

(3) Fund control personnel are defined as those individuals that issue and/or accept funding allocations and funding documents (e.g., work requests, project orders, etc.). All fund control personnel in the DON include the Commanding Officer, Comptroller, and delegated staff. Per Volume 14, Chapter 2, paragraph 020401.B.3 of reference (f), all fund control personnel must complete initial Appropriations Law training and subsequently an Appropriations Law Refresher course every three years. Appropriations Law training must be documented and retained by the activity comptroller. To ensure compliance and assist in efforts to reduce Anti-deficiency Act violations, execution metrics have been instituted to capture the number of trained fund control personnel. BSOs shall report Appropriations Law training completed for all fund control personnel as of the end of March and September each year. The submission shall include number of fund control positions, number
of onboard fund control personnel, percentage of compliance with training requirements, and justification for non-compliance of individuals. Submissions are due to OASN(FM&C), Financial Policy and Systems Directorate – Policy Division (FMP-2) by the 5th workday after the above dates. Appropriations Law courses are available from several sources including the FM myLearn Web site and PBISweb. The source and content of the various Appropriation Law training options should be commensurate with the position held.

(4) Per reference (h), members of the FM workforce are required to participate in the DoD FM Certification Program. As a condition of employment, members of the FM workforce must be able to obtain the appropriate certification level for their positions within two years after assignment. The FM workforce includes DoD military and civilian personnel who perform FM work and are assigned to FM positions. FM positions include performance, supervision or management of a fiscal, financial management, accounting, auditing, cost or budgetary nature. FM positions are those civilian positions with a 05XX series and military positions with FM occupational specialties.

m. Military Comptrollers. Certain key comptroller positions in the DON are designated to be filled by Navy and Marine Corps officers. The Office of the Chief of Naval Operations Fiscal Management Division (N82) is the subspecialty sponsor for Navy personnel designated with an FM subspecialty. The office of the Deputy Commandant Programs and Resources is the subject matter expert for the FM military occupation skill for Marine Corps personnel. No changes affecting military billets designated for FM (e.g., civilian substitution, billet recoding, billet deletion, etc.) may be made without prior approval from these offices. To the extent the comptroller position at any Navy command is a military member, that position will be designated for an officer of the line. However, these positions may be filled with qualified officers from other communities when qualified officers are not available for assignment from within the line officer community. To the extent the comptroller position at any Marine Corps command is a military member, that position will be filled with an officer in the 34xx military occupational series (MOS).

n. FM Support for Program Executive Officer (PEO). The PEOs and Direct Reporting Program Managers (DRPMs) have authority and
are responsible for designated major acquisition programs. The PEO and DRPM reports directly to the Component Acquisition Executive, the Assistant Secretary of the Navy (Research, Development, and Acquisition) (ASN(RD&A)). Normally, program managers report to a PEO, but some large, complex or critical programs are managed by a DRPM.

(1) FM Support for PEO. Funds are administered on behalf of the PEOs under memoranda of understanding with a specific systems command by the comptroller of that command. Command comptrollers are responsible for providing advice and support during budget formulation and budget execution. Responsibility for complying with section 1517 of title 31, U.S.C., is held by the designated commander or comptroller.

(2) Business Financial Managers. Business Financial Managers are personnel who are assigned to major acquisition programs, PEOs and DRPMs. These positions are covered under the Defense Acquisition Workforce Improvement Act. The office of the ASN(RD&A) is responsible for recommending mandatory education, experience, and training requirements for these positions as well as evaluating the effectiveness and applicability of certification requirements in improving the quality of the career field.

o. Dual Reporting Requirements

(1) In order to ensure that senior management within the office of the ASN(FM&C) is aware of emerging issues or problems that require action external to the individual command or office, BSO comptrollers and deputy comptrollers are required to report for additional duty to the ASN(FM&C). Inherent in this requirement is the responsibility of BSO comptrollers to support the office of the ASN(FM&C) in addressing FM issues.

(2) Manpower documents, change of duty orders for military officers ordered to these positions, and civilian position descriptions must reflect these dual reporting responsibilities. The ASN(FM&C) will have functional approval authority for all civilian and military personnel selected as BSO comptrollers. The ASN(FM&C) reserves the opportunity to review all candidates for all BSO comptroller selections. This authority provides for active involvement in all aspects of the review and selection process of a position. The ASN(FM&C)
reserves the opportunity to interview prospective candidates proposed for consideration by the selecting official or military placement officer and make comments regarding the recommendation to the final approving authority. Additionally, the ASN(FM&C) may provide comments to the commander or Head of an activity on the performance of BSO comptrollers.
COMPTROLLER ORGANIZATION SUBMISSION GUIDANCE

When establishing, revising or reviewing a comptroller organization at any level, the command is responsible for preparing documentation describing that organization in detail. On a five-year basis, the Budget Submitting Offices (BSOs) shall submit documentation to the Office of the Assistant Secretary of the Navy (Financial Management & Comptroller (OASN(FM&C)) FMP for review. Specific dates will be provided under separate cover. The documentation shall address the following eight assessable units (internet links shall be provided for command manuals or other large volume documentation):

1. Command, comptroller and staff organization chart. Show the placement of the comptroller and his or her staff and relationship to the commanding officer or head of the activity. Within the comptroller organization, include the total number of military and civilian personnel, authorized and on-board and planned by organizational structure:
   
   (a) The rank, designator and subspecialty code for military officers;
   
   (b) The rate for enlisted, the job series, General Schedule level or equivalent system for civilians.

2. Functional description of the comptroller organization. Include organizational responsibilities and duties of the comptroller organization broken out by major functional areas: budget formulation, budget execution, accounting, program analysis, performance measurement, audit readiness, etc.

3. For BSO level only: Copies of comptroller and/or deputy comptroller military orders and/or civilian position description optional form 8 (OF-8) and position descriptions approved by the command’s human resources department. These documents must reflect the dual reporting relationship to ASN(FM&C) as required for positions identified in paragraph 1 of enclosure 1.

4. Identification of the selecting or hiring official for comptroller organization vacancies. Identification of the reporting seniors and reviewing official(s) for comptroller and deputy comptroller fitness reports and or performance forms.
5. **Delegation of Authority**

   a. State where section 1517 of title 31, U.S.C., command responsibility is assigned, per paragraph 1(f)1 of enclosure (1). If the head of an activity chooses to delegate this authority, he or she shall designate, in writing, the individual by name and position title to whom this authority is granted, the appropriation accounts involved (for direct appropriations specify each appropriation; for reimbursable funds, may specify each or can state all funds received) and the specific responsibility and authority delegated. If the section 1517 authority is not delegated from the commanding officer to anyone within the command, this should be conveyed as well. The comptroller may further delegate funds control responsibility to comptroller personnel in writing, noting the same information. Provide copies of all delegation letters. In addition, provide the most recent status report regarding appropriations training (addressed in paragraph 1(l)3 of enclosure (1). Provide attestation that personnel have received budget execution training, per reference (g) and have obtained the appropriate Department of Defense Financial Management (FM) Certification, per reference (h). Exceptions and reasons should be noted and the current status should be provided.

   b. Delegation of authority for approving business entries, including journal vouchers, must be made in writing. The delegation must include named individuals and must be consistent with the position titles and dollar thresholds identified within applicable ASN(FM&C) guidance.

6. **FM community workforce levels.** In order to ensure the Department of the Navy’s audit readiness and sustainability, it is essential to maintain appropriate FM workforce levels. Therefore, BSO financial community workforce reductions greater than five percent of the total force work years, in any given year across the Future Years Defense Program using the last president’s budget as the baseline, will be reported immediately to OASN(FM&C)-(FMP-2).

Total force work years is defined as the aggregate FM workforce at all echelon levels within the BSO structure including military, civilian and contractor support that directly support FM functions.
7. **Subordinate comptroller organization review.** BSO comptrollers are required to review subordinate activities’ comptroller organizations to ensure they are properly established. The scope of the review must include verification that the subordinate activities’ comptroller organizations fund control personnel have been identified and that their appropriations law training is current. The BSO comptroller shall list each subordinate organization reviewed and attest to the status of their compliance with the various aspects of this instruction. Per the Roles and Responsibilities section of reference (g), BSO comptrollers must also attest that they are not providing any funding to support Echelon I organization and service contract support.

8. **Internal controls and audit readiness.** Provide a copy of or description of internal controls established for FM within the comptroller organization. Provide clearly defined command internal control procedures and processes to ensure proper record keeping and source documents supporting fund execution are maintained. To help achieve and sustain audit readiness, FM procedures should be well documented and included in standard operating procedures (SOPs). BSOs shall submit a list of SOPs that are maintained at the BSO level and attest to the review and compliance of all subordinate organizations.