

# MS 707 Continuing Resolutions and Lapses in Funding

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**Responsible Office:** OCFO

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Issuance Memo

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## Table of Contents

- 1.0 Purpose
  - 2.0 Preparing for a Continuing Resolution
  - 3.0 Providing budget during a Continuing Resolution
  - 4.0 Allowable Activities during a Continuing Resolution
  - 5.0 Effective Date
- 

### 1.0 Purpose

When Peace Corps' regular annual appropriation is not signed into law by the beginning of the fiscal year the Agency continues to operate under a "Continuing Resolution (CR)." A CR is legislation signed by the President which provides budget authority for federal agencies and/or specific activities to continue operating until the regular appropriations are enacted. This manual section establishes procedures to be followed should a CR be enacted.

### 2.0 preparing for a Continuing Resolution

The Agency must adhere to the spending levels outlined in the CR. Usually, this necessitates prudent and conservative spending by Agencies. Discretionary spending and new initiatives can be affected by CRs. Advance preparation can lessen the effects of a CR. Some preparations can be made far in advance while others may only be made when a funding lapse is imminent.

CRs can be managed most effectively if an office's financial obligations are planned to avoid the need for large amounts of budget authority during the start of each fiscal year. For example, whenever legally possible, avoid entering into leases and contracts which expire in October or November (see MS 733 Leases, paragraph 4.6., and MS 734 Medical Supplies, Equipment and

Contract Services, paragraph 4.6.). Also, it is helpful to avoid purchasing major equipment during this time period.

Offices should ensure that on-going activities which carry through into the potential lapse period are funded from currently available funds, where legitimately permissible. However, funds may not be obligated for an activity which will occur entirely in a succeeding fiscal year.

### **3.0 Providing Budget during a Continuing Resolution**

Upon passage of a CR affecting the Peace Corps, the Chief Financial Officer (CFO) will notify Peace Corps offices and posts the CR's duration and advise when CR funds will be provided. If the CR includes any specific restrictions, these will be communicated as well.

The Budget Officer will allocate available budget authority to continue operations. Their priority will be to ensure that post's approved operating plans are fully funded especially for Volunteer allowances and ongoing pre-service trainings, that domestic offices' normal activities can continue, and that essential staff salaries and benefits are funded .

Occasionally, an appropriation or continuing resolution will not be enacted in time to prevent a lapse in the current appropriations. In such a case, affected agencies may only provide services to protect the lives and safety of its employees and to protect government property. In the event this happens, the CFO will immediately provide specific operating guidance to offices and posts.

### **4.0 Authorized Activities during a Continuing Resolution**

The terms of each CR will dictate the Peace Corps' operational flexibility and the CFO will issue annual guidance to specifically address that year's unique set of circumstances. Generally, the Agency's goal is to provide enough funding for offices to execute their approved operating plan with as little interruption as possible. The CFO's annual CR guidance memo will clarify the specific activities that may be affected by the CR constraints.

Requirements directly related to Volunteer and staff health or safety, such as emergency medical evacuations, must be met regardless of funding availability. If budget authority is insufficient to meet emergency needs and someone's health and safety is at risk, first deal with the emergency, then contact the Budget Officer for further budget assistance.

### **5.0 Effective Date**

This manual section shall take effect on the date of issuance.