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OSD	USIA	NSA

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION

CA-8810

UNCLASSIFIED

NO.

HANDLING INDICATOR

TO : ALL DIPLOMATIC AND CONSULAR POSTS
(Administrative Officer)

Mr. Dixon
file

MAR 3 4 20 PM '66

FROM : Department of State - 0

DATE:

SUBJECT :

REF :

I want to share my concern for the way we are all planning and using our funds, and specifically the "water" that we permit to creep into obligations. For example, at the end of fiscal year 1964 we turned about one half million dollars of unobligated funds back to the Treasury. By the end of fiscal year '65 that amount had increased to well over a million dollars due to liquidations of obligations that were over-stated when they were made and recorded.

It is most essential that all budget and fiscal officers and certifying officers, ensure that there is no "water" or overstatement in recorded obligations. Obligations should be made as accurately as possible, and must be reviewed frequently to ensure that amounts remaining after obligations are liquidated are reprogrammed for essential uses.

I urge all of you take appropriate and timely action to ensure that financial resources available to the Department are used wisely, and that necessities of the Service do not go unmet due to lack of alert, energetic administrators. It is no sin to return funds to the Treasury -- we want to do this whenever funds can't be used properly for functions and activities for which they were planned. But it is inexcusably poor management to fail to achieve important objectives because fund managers carelessly or thoughtlessly

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In Out

FORM 4-63 DS-323

Drafted by: O:William J. Crockett

Drafting Date: 3/1/66

Contents and Classification Approved by: *WJ*
O:William J. Crockett

Clearances:

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overestimate obligations or fail to review obligation records periodically for necessary adjustments.

I urge each of you to give this matter your attention now.

RUSK

RECEIVED
MAR 7 4 57 PM '66
AMERICAN EMBASSY
BRASILIA, BRAZIL

cc: All Executive Directors
All Department Budget Officers

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