ORIGIN/ACTION	DEPARTMENT OF STATE
0-2-120	ATRGRAM ACC 7
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10	TO : ALL DIPLOMATIC AND CONSULAR POSTS
E P 10	(Administrative Officer)
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OB FSD OCT	Mar 3 4 20 PM '66
AGR COM FRB	FROM : Department of State - 0 DATE: NAR 3 4 20 PM 66
INT LAB TAR	
	SUBJECT:
TR XMB AIR	REF :
ARMY CIA NAVY	
	I want to share my concern for the way we are all
OSD USIA NSA	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
BRASILIA	dollars of unobligated funds back to the Treasury. By the
HOU	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.
TO	
1	It is most essential that all budget and fiscal
P	officers and certifying officers, ensure that there is no
J. C.	"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
0 -120 cys	obligations are liquidated are reprogramed 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
MES	go unmet due to lack of alert, energetic administrators.
A -	It is no sin to return funds to the Treasury we want to
File	do this whenever funds can't be used properly for functions
	and activities for which they were planned. But it is inex- cusably poor management to fail to achieve important object-
	ives because fund managers carelessly or thoughtlessly
TAKEN	overestimate/ FOR DEPT. USE ONLY
(1)	FORM DS-323 INCLASSIFIED In Out
Drafted by: O:William J. Crockett Drafting Date: Contents and Classification Approved by: O-William J. Crockett	
Clearances:	

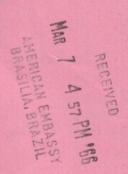
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overestimate obligations or fail to review obligation records periodically for necessary adjustments.

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

RUSK



cc: All Executive Directors

All Department Budget Officers

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