



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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WASHINGTON DC 20350-1000

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MEMORANDUM FOR DISTRIBUTION

Subj: FISCAL POLICY ASSOCIATED WITH THE REQUIREMENT FOR A
DETERMINATION AND FINDINGS (D&F) DOCUMENT SUPPORTING
AN ECONOMY ACT ORDER

Ref: (a) United States Code Title 5 Section 101
(b) DoD Financial Management Regulation (FMR) Vol 11A
(c) Federal Acquisition Regulation Subpart 17.5, Interagency Acquisitions Under the
Economy Act
(d) United States Code Title 31 Section 1535

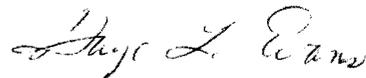
Several commands have recently had questions regarding the subject matter. The purpose of this memorandum is to provide Department of the Navy (DON) fiscal policy associated with the subject. It is first important to establish some key definitions. Reference (a) delineates agencies of the United States government. Within that construct, the Department of Defense (DoD) is considered an agency. Per numerous DoD instructions, directives and other regulations, military departments and defense agencies are considered Components of the DoD. Accordingly, efforts between DoD Components are considered intra-agency work. Efforts that occur between a DoD Component and non-DoD activity are considered interagency work.

Reference (b), paragraph 030202, provides guidance on D&F requirements for the subject matter. The guidance clearly states that an Economy Act order for interagency support or work must have a D&F and refers the reader to reference (c). Per previous FMB policy guidance and the DoD FMR, all DON organizations will continue to ensure that interagency funding requests for orders placed under the Economy Act have the appropriate D&F documentation.

There are no DoD financial regulations that require a D&F for intra-agency acquisitions of goods or services under the Economy Act, reference (d). However, when issuing funding documents using the authority of reference (d), appropriate documentation should be maintained by the requesting agency or designee that the order is in the best interest of the Government, and the ordered goods or services cannot be provided as conveniently and cheaply by contracting directly with a private source. This documentation can be as simple as a memorandum for the record that is maintained in the files. It is possible, however, that some DoD Components, for management control purposes, may require D&Fs for intra-agency work. Unless a DON

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command can convince the DoD Component otherwise, commands will have to comply with non-DON management practices. However, D&Fs are not required to support funding documents for intra-agency goods or services performed by DON commands (e.g. between Navy and Marine Corps; between Navy and the Air Force, etc.) under the Economy Act.



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Office of Budget

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