



US Department  
of Transportation  
Maritime  
Administration

## MANUAL OF ORDERS

### MARITIME ADMINISTRATIVE ORDER

REVOKES

MAO 560-5,  
dtd. 1-17-74

NO.

560-5

EFFECTIVE DATE

November 12, 1987

SUBJECT

Payments on Account of Operating-Differential Subsidy (ODS)

#### Section 1. Purpose:

This order prescribes the procedures and responsibilities for processing vouchers (Standard Forms 1034 and 1034a Revised) received from subsidized operators for payment on account of operating-differential subsidy, in accordance with the applicable sections of an Operating-Differential Subsidy Agreement and 46 CFR 252.40 and 282.30.

#### Section 2. Procedures for Processing Operating-Differential Subsidy Vouchers:

##### 2.01 The Office of Ship Operating Assistance shall:

- 1 Calculate the appropriate annual operating-differential subsidy (ODS) rates for all of the subsidy agreements.
- 2 Process for the approval of the Maritime Administrator the incorporation of the above rates into the operating-differential subsidy agreements.

2.02 The Office of the Chief Counsel, Division of Maritime Aids, shall provide copies of subsidy agreement addenda to all interested offices.

##### 2.03 The Office of Financial Approvals shall:

- 1 Notify the Region Finance Offices of all actions, decisions or policies determined by the various program administration offices that affect the adjustment or payment of ODS to the subsidized operators.
- 2 Provide the Region Finance Offices with copies of actions (by the Maritime Administrator, Maritime Subsidy Board, and the Chief Counsel), correspondence, approved sailing information or data concerning the payment of ODS with instructions to the Region Finance Offices as to any adjustment of ODS payable.

##### 2.04 The Region Finance Offices shall:

- 1 Receive vouchers for payment of ODS submitted by the subsidized operators in their respective regions. Upon receipt, clock stamp and assign control numbers.

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- 2 Determine that together with the ODS voucher a copy of the applicable sailing schedule is also submitted by the subsidized operator.
- 3 Review vouchers for proper inclusion of forms and schedules in accordance with prescribed billing procedures, and determine the amount of ODS payable, net of domestic trade deductions, crew reductions, and all other nonsubsidized days or expenses, in accordance with applicable regulations and directives, ensuring that the subsidy rates used are the latest applicable. Specify on the vouchers the amount verified as correct for payment.
- 4 For 100% vouchers submitted by the bulk vessel ODS operators which apply to years prior to January 1, 1988, i.e., pre per diem ODS, maintain a control of subsidizable expenses audited and approved for subsidy by the Office of Inspector General. Compare amounts of expenses, by category, submitted for ODS payment with this control to ensure the correct amount of expenses is being billed for subsidy by the operator.
- 5 Contact the subsidized operators regarding any required corrections or additional supporting documents, error in computations or questionable item.
- 6 Administratively approve the ODS voucher(s) for payment and enter the voucher(s) into the Accounts Payable Module. If the accounting system is not available, Telefax a completed TFCS Wire Transfer (Form MA-953) to the Chief, Division of Accounting Operations.
- 7 Inform the Chief, Division of Accounting Operations, of the assigned Voucher Document Control Number in order to start the payment process in Headquarters.
- 8 Using Form MA-37 (Document Transmittal) forward (a) the original copy of the approved voucher with all supporting schedules to the Office of Accounting, and (b) one copy of the voucher with all supporting schedules to the Office of Ship Operating Assistance.

2.05 The Office of Ship Operating Assistance shall forward to the Office of Accounting quarterly reports showing monthly accruals against current year operations. These will be reconciled with approved vouchers and provide the basis for accrual reporting and end-of-year withdrawal of unused appropriations.

2.06 The Chief, Division of Accounting Operations, shall receive requests from Region Finance Offices to issue payments on approved ODS vouchers and check against accruals. If accruals are adequate, schedule the payments. If accruals are inadequate, obtain adjustments from the Office of Ship Operating Assistance and then schedule the payment. After payments have been scheduled, ascertain payments were actually made.


2.07 The Office of Budget shall conduct ongoing reviews of plans and related reports in order to facilitate the procedures described herein.

Section 3. Allotment of Outlay Authority:

3.01 General: This section provides for issuance and control of allotments of outlay authority pursuant to appropriations made to liquidate operating-differential subsidy agreement authority. It prescribes procedures designed to assure that outlays are restricted to amounts of liquidation appropriation available and to permit fixing of responsibility for violation of the Anti-Deficiency Act (31 U.S.C. 1341(a)). See section 2 of Maritime Administrative Order 410-1, "Control of Funds."

3.02 Responsibilities:

- 1 The Budget Officer shall issue allotments of annual outlay authority, including separate amounts based on current year accruals and unpaid prior year accruals, to the Associate Administrator for Maritime Aids, according to an approved fiscal plan submitted, upon request, to the Budget Officer by the Associate Administrator for Maritime Aids.
- 2 Any outlay in excess of an issued allotment will be considered in violation of the Anti-Deficiency Act and subject to the penalties provided therein.

  
JOHN GAUGHAN  
Maritime Administrator