

VA Financial Policies and Procedures
1358 Obligations

CHAPTER 6

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0601 OVERVIEW

This chapter establishes Department of Veterans Affairs (VA) policies and procedures for the proper use of VA Form 1358, Obligation or Change in Obligation.

0602 POLICIES

060201 VA offices may use VA Form 1358 (1358) as an obligation control document **only** for the approved uses listed in Appendix A. The 1358 will not be used for any other purpose.

060202 For the approved uses in Appendix A, the using service will submit a completed 1358 along with the supporting documentation to the chief of finance activity or designee for review and obligation. Appendix B lists some examples of invalid uses of the 1358.

A. Appendix C lists the fields that are required to be completed on the 1358, to include the vendor, contract number, period of service, and purpose. This appendix also cross-references the approved uses in Appendix A to the drop-down list used in the Integrated Funds Control Point Activity, Accounting and Procurement (IFCAP) system and the manual 1358.¹

B. Appendix D is a sample of a manual 1358 updated with the approved uses in a drop-down box.

060203 Only one obligation number will be assigned to the 1358 per contract or order throughout the fiscal year unless an exception (as noted in B below) is documented and approved by the finance activity.

A. The same obligation number will be used on subsequent modifications to the original estimated 1358. The order or contract number will also be placed on the form. The using service is responsible for determining whether an increase or decrease adjustment is necessary as new authorizations and/or entries are added or paid. Adjustments will be sent to the Finance Activity for processing at least quarterly.

B. The exception to the single 1358 occurs when the maximum field or digits allowed by the accounting system is exceeded. For example, in the Financial Management System (FMS), Consolidated Mail Out Pharmacies frequently exceed the obligation dollar limits, and Fee Basis exceeds the number of payments allowed on an obligation. Each 1358 will be established monthly or quarterly rather than adjusted on a monthly or quarterly basis.

¹ Due to system constraints and costs for modifying IFCAP, IFCAP may not be updated to reflect modifications or clarifications to the approved uses listed in Appendix A or C.

060204 If the chief of finance activity or designee determines that the 1358 is not coded correctly or does not fall under one of the specified approved uses, the document will be returned with justification to the using service.

060205 To ensure appropriate segregation of duties, no one official may perform more than one of the following key functions of a transaction or event:

A. Requesting the 1358 obligations.

1. Purchases of goods or services are to be initiated by a requestor who is authorized to request the purchase of goods or services. This person may also initiate increase or decrease adjustments.
2. When the requestor of the purchase of goods or services is also an appointed or delegated approver, the requestor will submit the request to the next higher level for authorization and approval.

B. Approving the 1358 obligation.

1. The approval or authorization of the necessity for goods or services will be made by a person who has been delegated this responsibility.
2. When the approver has the role of the requestor of the purchase of goods or services, the request will be submitted to the next higher level for authorization and approval.

C. Recording the obligation of funds.

After the purchase of goods or services is approved, the respective budget and/or finance office will be responsible for verifying that funds are available and authorized, and ensuring the obligation is recorded in the financial system, when properly supported in accordance with the requirements of this chapter, including sections 060202 through 060205.

D. Certifying delivery of receipt of goods or services and approving payment.

1. Before payment is made for goods or services, an authorized individual will certify that the requested goods or services were received in the quality and quantity agreed upon and in accordance with the terms of an order or contract. Any discrepancies will be noted.
2. The approval for payment is completed by an authorized certifying official. In approving payment, the certifying official is asserting to the legality and propriety of the payment from the appropriation or fund cited **and** that goods or services were received and in the quality and quantity appropriate for the payment being approved. The certifying official does not need to be the physical receiver of the goods or services.

Rather, he or she may base their certification of the receipt of the goods or services on a review of official supporting documentation, such as a receiving report, sales receipt, packing slip, bill of lading or a bill of services rendered signed by an individual delegated authority to receive goods or services. The certifying official approves payments in various automated systems, such as the Veterans Health Information Systems and Technology Architecture (VistA) Fee System or the Online Certification System (OLCS)².

060206 Each Chief Financial Officer (CFO) within VA (VHA, VBA, NCA and OIT) will conduct an annual review as part of the normal audit and reconciliation to ensure that 1358 obligations are used in compliance with this chapter and that segregation of duties is maintained. The review will be performed by an official (as designated by the CFO) in relation to the preparation and submission of end-of-year certification letters. Refer to OFP Volume VII Chapter 2, *Consolidated Financial Statements*, for additional information.

060207 The Office of Business Oversight (OBO), Management Quality Assurance Service (MQAS) may include reviews of 1358 obligations to ensure compliance with this chapter as indicated in the Annual Review Plan approved by the VA CFO.

0603 AUTHORITY AND REFERENCES

060301 [31 U.S.C. 1501, Documentary Evidence Requirement for Government Obligations](#)

060302 [Federal Acquisition Regulation \(FAR\) 39, Acquisition of Information Technology](#)

060303 [FAR 41.102\(b\) \(3\), Applicability](#)

060304 [FAR 41.201, Subpart 641.2, Acquiring Utility Services](#)

060305 [FAR 41.202, Procedures](#)

060306 [VA Acquisition Regulation \(VAAR\)](#)

² The role of approving payments for individual invoices, as accomplished in the VISTA Fee system or OLCS is not to be confused with the role of a certifying officer at the VA Financial Services Center (FSC) in Austin, TX, who approves a schedule of payments transmitted to Treasury. The FSC certifying official who approves a schedule of payments transmitted to Treasury for disbursements is responsible only for errors made in the processing of the voucher schedule, such as the number of individual vouchers and total dollar amount of vouchers submitted to Treasury for payment, not the individual vouchers (see Comptroller General B-302789). Accordingly, the role performed by the FSC is not the same as the role of “approving payment” noted in this policy. The “approving payment” role noted in this policy is the official who approves payment in the VISTA Fee system, OLCS, or other subsidiary payment system used by VA.

060307 [Statement of Auditing Standards No. 39, Audit Sampling](#)

0604 ROLES AND RESPONSIBILITIES

060401 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

060402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

060403 The Office of Financial Policy (OFP), within the VA Office of Finance, is responsible for the information contained in this chapter.

060404 The Office of Business Oversight (OBO), Management Quality Assurance Service (MQAS) is the VA CFO's primary quality assurance organization providing oversight of Department financial management, capital asset management, and logistics activities. MQAS is responsible for conducting periodic reviews of VA Form 1358 usage to ensure compliance with this chapter as indicated in the Annual Review Plan approved by the VA CFO.

0605 PROCEDURES

060501 VA will use the 1358 as an obligation control document **only** for the approved uses listed in Appendix A. The 1358 will not be used for any other purposes.

060502 The following rules apply in establishing a 1358 for an item listed as an approved use in accordance with Appendix A:

- A. The 1358 must be completed in accordance with the details in Appendix A.
- B. The approved purpose will be one of the approved uses or sub-categories and the period of performance will be designated.
- C. The obligation number will be assigned to the 1358 when the finance activity obligates the document. The using service will be notified of the obligation number.
- D. Line Item details (authorizations), to include the period of performance and total estimated obligations, will be clearly identified for the individual line item.

E. Each line item (authorization) will be monitored by the using service. This includes ensuring that all transactions and activity have been properly recorded and tracked for each line item.

F. The total amount for all line items (authorizations) will not exceed the total funds obligated on the 1358. If the amount required exceeds the obligation, the amount on the 1358 will be increased. Increases will be approved by the using service Control Point Official.

G. After all expected activity has been completed, any balance remaining will be closed out within 30 days following the end of the month or fiscal year, as appropriate. Decreases will be initiated and approved by the using service and routed to the finance activity.

060503 The finance activity will not obligate a new 1358 without the appropriate information recorded in the vendor, contract number, period of service, and purpose fields on the document, as stated in Appendix C. Obligations will be processed when the information is verified and accurate. A 1358 lacking this information will be returned to the requester, stating the reason for return.

060504 As required in the Federal Procurement Data System (FPDS), procurement expenditures using a 1358 (uses listed in Appendix A) will be reported in accordance with contracting reporting requirements. Purchasing and contracting activities will request the required information from the finance activity for 1358s that have been established and need to be reported in FPDS. The contracting official is responsible for ensuring the appropriate information is requested and submitted to FPDS. The finance activity will provide the following minimum information for each 1358 based on contracting's request. The requested information may change based on contracting reporting requirements.

- 1358 obligation number;
- Contract number;
- Vendor;
- Specific purpose, period of performance and appropriate reference; and
- Total obligation amount for the period requested.

060505 Indefinite Delivery/Indefinite Quantity (IDIQ) contracts will not be obligated using the 1358 unless the purpose is listed as an approved use in Appendix A. If the purpose is not listed, VA Form 2237 will be used as the requesting document and VA Form 2138, Order for Supplies or Services, will be used as the obligating document.

0606 DEFINITIONS

060601 Obligation. A legally binding agreement that will result in outlays, immediately or in the future. When an individual places an order, signs a contract, awards a grant, purchases a service or takes other actions that require the Government to make

payments to the public or from one Government account to another, an obligation is incurred.

060602 Receivers for Delivery of Goods. An authorized individual who accepts or rejects the delivery of goods or services on an invoice as compared to the order or contract. Discrepancies are noted for items not received, incomplete, broken, etc. Receivers for an online system may rely on a notification (written or softcopy form) from another Federal employee before performing the receipt in a system.

0607 RESCISSIONS

060701 OFP Policy Volume II Chapter 6, *1358 Obligations*, dated April 2012

0608 QUESTIONS

Questions concerning these financial policies and procedures should be directed as follows:

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)

0609 REVISIONS

Section	Revision	Office	Date
Appendix C	C. (Table) Authority 19, in “Approved Use” column, added: “Self-certified transit benefit and bicycle benefits per VA Volume III, Chapter 1.”	APS (047GA)	September 2014
Appendix A, No. 19	Added: “Also, VA employees may be reimbursed for self-certified transit and bicycle benefits, in accordance with Volume III, Chapter 1, Transit Benefit and Bicycle Benefit Programs, APPENDIX A: SELF-CERTIFICATION REIMBURSEMENTS.”	APS (047GA)	September 2014
Appendix A, 17	Added Footnote 4: “In pharmacy, the Contracting Officer (from National Acquisition Center) approves the Ordering Officer, who in turn places orders with the prime vendor. When an Ordering Officer establishes 1358 he or she is barred from performing other segregation of duty functions but may receive/certify orders placed by other ordering officers.”	APS (047GA)	July 2014

Section	Revision	Office	Date
Appendix A	VHA and FSC specific appendix updates	OFP (047G)	April 2015
Appendix C	VHA and FSC specific appendix updates	OFP (047G)	April 2015
Appendix A	NCA specific appendix updates	APPS (047GA)	March 2014
060207 OBO MQAS Reviews	Changed requirement from “may” to “will.” CFO has determined that this is not required annually based on system changes, but may include in future reviews.	APPS (047GA)	January 2013
Appendix A	Updated title for Non VA Medical Care (formerly Fee Basis) and changed vendor to provider. For standardized obligations, deleted Emergency Care, included Patient Centered Community Care, and changed title for AITC to Corporate Data Center Operations. In paragraphs 1 and 12 removed statement waiting for software update.	APPS (047GA)	August 2013
Appendix B	Updated to add NETWORKX and voice data telecommunications as invalid uses of form 1358s.	APPS (047GA)	August 2013
Appendix C	Updated IFPCAP Approved Use listing for new titles and added approved use for Patient Centered Community Care.	APPS (047GA)	August 2013
0602 Policies 0603 Authority and References 0605 Procedures	Deleted VA Secretary’s quarterly segregation of duties certification based on the Secretary’s October memorandum rescinding requirement.	APPS (047GA)	January 2013
Appendix E, F, and G	Deleted appendices based on Secretary’s rescission memorandum and Administration concurrence.	APPS (047GA)	January 2013

APPENDIX A: VA FORM 1358 APPROVED USES

Following is a list of uses that are appropriate (approved) for the use of a VA Form 1358. The 1358 will **not** be used for any other purpose. Items not listed under this appendix require a VA Form 2237.

Required information for the 1358:

- An approved use and specific purpose description;
- Period of performance: Date or date range;
- Referenced order, obligation, or contract number, if not included elsewhere; and
- Vendor or multiple vendors, if applicable.

Refer to Appendix C, VA Form 1358 Required Information, for additional information and a complete IFCAP listing of the approved uses.

1. Nursing Homes/Adult Day Health Care

A. Description. Individual contracts are awarded for Community Nursing Home (CNH) or Adult Day Health Care services; however, for the reasons listed below, a VA Form 1358 is required. ([38 USC 1703, Contracts for hospital care and medical services in non-Department facilities](#), and [38 USC 1720, Transfers for nursing home care; adult day health care](#))

B. Justification.

(1) Individual authorizations are made by VA Form 10-1204, Referral for CNH Care, against the established Blanket Ordering Agreement awarded by a contracting official. The CNH software package was developed exclusively with an interface to the VA Form 1358 package in IFCAP.

(2) Multiple contractors are involved. Miscellaneous vendors may be used; identify vendors in the Purpose field.

(3) The number of patients/usage is undefined.

(4) Required tracking is easier under VA Form 1358 (workload issue).

2. Non-VA Medical Care, including Dental, Homemaker/Home Health Aid, Non-VA Hospitalization

A. Description. These are pre-authorized and not pre-authorized activities for medical care that cannot be provided by the VA medical facility due to either geographical inaccessibility or economic infeasibility, or the facility is unable to furnish the required

services. ([38 USC 1703, Contracts for hospital care and medical services in non-Department facilities](#), and [38 USC 8153, Sharing of health-care resources](#)) In addition Emergent travel which has not previously been authorized may be considered under 38 USC 1725 and 38 USC 1728.

B. Justification.

(1) The VistA Fee Software package is interfaced with the VA Form 1358 package in IFCAP. Unless significant programming changes are made, there is no capability for the non-VA medical care individual authorizations paid invoices to be associated with a VA Form 2237/Purchase Order (PO) transaction.

(2) Authorizations are issued on VA Forms 10-7078 (inpatient) and 10-7079 (outpatient) for medical services. One VA Form 1358 may be used to document multiple authorizations.

(3) Use of the Fee Basis Claims System and/or the VistA Fee software package is required to process non-VA medical care claims.

(4) Payments are made per Veteran.

(5) Multiple invoices may be received for authorized and unauthorized services (x-ray, lab, pharmacy, hospital, which may include multiple bills for each of these services, per provider).

(6) Multiple providers that are not known upfront may be paid for approved services.

(7) The volume of transactions has increased.

3. Standardized Obligations

A. Description. These obligations are established by a service-level agreement or other contractual agreement at the national level. For example, at the beginning of each fiscal year, for VHA facilities, VHA Central Office provides a list of all standard obligations to the field for local obligations. Payments for the following programs or services are provided by the national level and are distributed to individual facilities for obligation at the local level:

(1) Federal Telecommunications Services (FTS) 2001.

(2) College of American Pathology/Joint Pathology Center.

(3) Convenience check fees.

(4) Denver Acquisition and Logistics Center (DALC) services and supplies.

(5) No longer Used. (Formerly Emergency Care Beneficiary Travel mileage and other than mileage.)

(6) SmartPay (US Bank) Non-VA (formerly Fee Basis) Purchase Card, program, and the National Patient-Centered Community Care (PC3) Centralized contract administrative fees.

(7) Federal Employees Compensation Program (FECP), also referred to as Office of Workers' Compensation Programs (OWCP).

(8) SHPS Inc. SHPS is contracted by the Office of Personnel Management (OPM) to administer the Flexible Spending Account (FSA) program. It is a provider of integrated health solutions to help improve personal health and reduce spending.

(9) Standard Level User Charges (SLUC/GSA), to include National Archives and Records Administration (NARA) services.

(10) Transit benefits.

(11) Franchise Fund Accounts: Security and Investigations Center, Law Enforcement Training Center, Financial Services Center, Debt Management Center, Corporate Data Center Operations (CDCO), and Records Center and Vault.

B. Justification.

(1) Costs must be borne by the using facility.

(2) No other payment methodology is available for the DALC at this time.

(3) "Miscellaneous vendor" may not be used.

C. On VA Form 1358, VHA must reference the standardized obligation in the Purpose field as directed.

4. Local Travel under the Manual Threshold (currently \$25³). This exception should only be used for employees who travel on an infrequent basis and does not exceed the manual threshold. For an employee who makes frequent local travel or will incur local travel expenses greater than threshold amount per [Volume XIV Chapter 7, Local Travel](#), in a 30-day period, the electronic travel system should be used to request reimbursement. Limited Open Travel Authority (LOTA) is not local travel and is not an approved use for a 1358. All LOTAs are to be placed in the travel system.

³ The amount is subject to change based upon the local travel policy.

When reimbursable expenses are under the threshold amount, as an alternative, employees may submit a manual local expense voucher form (Standard Form 1164, *Claim for Reimbursement for Expenditures on Official Business*) for reimbursement outside of the travel system.

A. Description. Facilities may use VA Form 1358 to document and obligate multiple local travel episodes in lieu of using VA's Electronic Travel System (ETS) when the employee does not perform local travel on a regular basis or will not incur local travel expenses greater than the threshold amount in a 30-day period. For reimbursement of authorized expenses, the employee will complete a manual SF 1164. The SF 1164 will be approved per Volume [XIV Chapter 7, Local Travel](#), and submitted to the appropriate finance activity for payment.

B. Justification.

(1) Multiple individuals are involved and there are no contract(s). "Miscellaneous employee" may be used; however, the reimbursed employee vendor ID should be used as an alternate payee when available.

(2) It is currently more cost effective than ETS.

5. Research Studies

A. Description. These can be studies conducted by both VA and external organizations. This approved use sets up the supporting obligation for payments made directly to multiple participants (VA patients) of research studies for minor costs, such as those associated with travel to their appointments. ([38 USC 7303, Functions of Veterans Health Administration: research programs](#)) VA Form 1358 must reference the research study.

B. Justification. Multiple individuals are involved and there are no contract(s). "Miscellaneous vendors" may be used; identify the external organization vendor(s) in the Purpose field. Participants will be listed in supporting documentation to ensure that individuals are paid appropriately and to reduce duplicate payments.

C. On VA Form 1358, in the Purpose field, reference the research study and provide a description.

6. Inter-Library Loan Program

A. Description. National contracts are available on the VHA Intranet (VAL-Net) for library public access, cataloging and periodicals, e.g., National Network of Libraries of Medicine.

B. Justification. Multiple vendors are covered under a national contract, and usage is not defined in advance.

7. Affiliation Agreement for Interns/Residents. Long-term residency agreements are established between the medical center director and dean of the affiliated university medical school for training of interns/residents. These agreements are negotiated by the medical center director, in consultation with the Office of Academic Affairs in VHA Central Office, and may be negotiated yearly or multiple times per year.

A. Description. Negotiations are conducted for residents from an affiliated university assigned to a medical center. These are affiliation agreements for resident/intern programs, not for medical service contracts negotiated under [38 USC 8153, Sharing of health-care resources](#); [38 USC 7406, Residencies and internships](#); or [38 USC 7409, Contracts for scarce medical specialist services](#).

B. Justification. There may be single vendor (with possibly multiple payees) or multiple vendors, based on negotiated academic affiliation agreements.

C. On VA Form 1358, in the Purpose field, reference Affiliation Agreement.

8. Tort Claims/EEO settlements; OIG Confidential Services and Investigative Purchases

A. Description. Legal/confidential services may include settlement, including Judgment Fund payments to the Department of the Treasury. ([Tort: 38 USC 515, Administrative settlement of tort claims](#))

B. Justification.

(1) No contract or acquisition activity is involved.

(2) There may be a possible confidentiality issue.

(3) There is no way to predict the amount or payee in advance; identify the vendor in the description or vendor field. In certain settlement cases, the vendor may be the representative of the claimant. The recipient's identity in confidential settlements will be recorded in supporting documentation to ensure that claimants are paid appropriately.

C. On VA Form 1358, reference the case number in the Purpose field.

9. Volunteer and Resident Meal Tickets and Volunteer Reimbursement

A. Description. Volunteer meals can be paid for by medical centers. Some facilities establish a VA Form 1358 for meals for residents. This could be either paid for with General Post Fund donations or Medical Services appropriations. It may also include

reimbursements to volunteers for out-of-pocket costs incurred to meet requirements to volunteer, e.g., costs of VA printouts for volunteer drivers. ([38 USC 7406\(b\)](#), [Residents and 38 U.S.C. 513](#), [Contracts and personal services](#))

B. Justification.

- (1) No contract or acquisition activity is involved.
- (2) There are multiple payees (e.g., residents, volunteers).
- (3) This may be a requirement of an affiliation agreement; may be voluntary on the part of the facility.

C. On VA Form 1358, describe the type of meals, the requirement, etc. in the Purpose field.

10. Incentive Therapy/Compensated Work Therapy ([38 USC 1718](#), [Therapeutic and rehabilitative activities](#))

A. Description. Payments are made to patients.

B. Justification.

- (1) There are multiple patients. “Miscellaneous vendor” may be used; identify vendors in the Purpose field.
- (2) No contract(s) are involved.

11. Beneficiary Travel and Direct Payments to Veterans from General Post Fund

A. Description. Payments are made to Veterans and/or attendant or non-contract transportation vendors for travel related to medical care from Medical Services appropriation and other payments to Veterans from the General Post Fund. ([38 USC 111](#), [Payments or allowances for beneficiary travel](#))

B. Justification.

- (1) There are multiple beneficiaries or vendors.
- (2) There is no contract or no opportunity to establish contracts.
- (3) The dollar amount is small.
- (4) There is a high volume of transactions (workload issue).

12. Home Improvement Structural Alterations (HISA)

A. Description. Prosthetics implemented 38 CFR §17.3100-17.3130 for the HISA benefit to be paid to the beneficiary instead of the vendor. The 1358 will be used to obligate the funds for the approved benefit amount. The 1358 is necessary to capture the transaction in the National Prosthetic Patient Database (NPPD), an integral part of patient workload and inventory management.

B. Justification.

(1) A benefit payment will be made to the beneficiary.

(2) "Miscellaneous vendor" may not be used.

13. NCA Veteran Benefit

A. Outer Burial Receptacle

1. Description. A one-time benefit payment is made to the next-of-kin of a deceased Veteran who has chosen to have a private vault for burial in lieu of a VA-furnished vault. VBA establishes a single VA Form 1358 for the year. (38 USC 2303, Death in Department facility; plot allowance) A file is sent weekly from the National Cemetery Administration (NCA) burial system to the Corporate Data Center Operations (CDCO). The CDCO uses this data to create a payment file that references the VA Form 1358 obligation and sends these payments to the Financial Management System using MISCOBR as the vendor and referencing the VA Form 1358 obligation.

2. Justification.

(a) Payment is a one-time small dollar amount made to a beneficiary's family member.

(b) There are multiple payees. Use OBRBENE as the FMS miscellaneous vendor code.

3. The payment crosses Administrations from VBA to NCA.

B. Dignified Burial Casket/Urn

1. Description. A flat fee payment is made to a funeral home, state or local government agency for the purchase of an original casket or urn for the interment of the remains of deceased eligible Veterans without next of kin (NOK) and without sufficient resources available for burial. NCA establishes a single VA Form 1358 for the year. Proper vendorization is established in FMS using the vendor's tax identification code prior to the establishment of payment for a casket or urn. Use DIGNFBR as the FMS miscellaneous vendor code on the 1358 obligation.

2. Justification.

(a) Payment on behalf of each unclaimed veteran will be made to a funeral home, state or local government agency. There is no procurement activity involved in the transaction.

(b) There are multiple payees. Payment will be made based on proper vendorization of the payee in the Financial Management System.

14. VBA Lease Agreement Overtime Charges

A. Description. VBA has lease agreements for office space with the General Services Administration (GSA) for most of its regional offices. These lease payments are normally paid from a centralized lease contract at the Office of Facilities, Access and Administration (OFAA) at VBA VACO. When there are adjustments to the lease payments, such as utility payments for overtime, the cost must be absorbed by the regional office and paid under a reimbursable work authorization (RWA). The amounts and timing of these payments are unknown and an estimated obligation must be established.

B. Justification.

(1) The payment is billed through IPAC and the actual amount is unknown until the bill is received.

(2) The frequency of need is unknown, and usually overtime is not regularly scheduled and is subject to availability of funds.

(3) "Miscellaneous vendor" may not be used.

C. On VA Form 1358, reference RWA in the purpose field.

15. Home Oxygen Bills

A. Description. Individual facility or multi-facility indefinite delivery/indefinite quantity (IDIQ) contracts are awarded for home oxygen. Because home oxygen bills are paid in arrears, an obligation for the estimated amount of the bills is required. It is not possible to estimate an annual amount for each patient on a VA Form 2237, as the number of patients provided home oxygen changes from month to month.

B. Justification.

(1) The number of patients and the total amount of the invoice for each patient each month is unknown in advance.

(2) The payment is billed in arrears for actual patients provided service.

(3) “Miscellaneous vendor” may not be used.

C. On VA Form 1358, reference the IDIQ contract in the Purpose field.

16. Prosthetics -- New or Repaired Items. NOTE: This is an interim approved use that will no longer be allowed upon completion of necessary modifications to the Prosthetics software. (38 USC 543, Advisory Committee on Prosthetics and Special-Disabilities Program)

A. Description. VA Form 1358 is used in lieu of a VA Form 2237 whenever a vendor for a prosthetic item or repair will not accept a purchase card.

B. Justification. If the vendor does not accept purchase cards because he or she does not have a mechanism for doing so, and the item/service must be provided to a patient, it is obligated on a VA Form 1358.

17. Pharmacy/Subsistence Prime Vendors and Consolidated Mail Order Pharmacy (CMOP) Direct-to-Patient (DTP) Program⁴

A. Description. A Prime Vendor contract is in place for Pharmaceuticals and Subsistence ordered by VHA field facilities and CMOP. A DTP contract is in place with vendors and managed by the CMOP to supply prescribed items directly to the Veteran. For the reasons listed below, a monthly, quarterly or annual VA Form 1358 is required.

B. Justification.

- (1) For Prime Vendor, orders are placed directly through the Prime Vendor’s online proprietary ordering system against a pre-established purchase card account. These charges require a corresponding obligation number in the accounting system.
- (2) Because of currently limited capabilities of IFCAP, there is no alternate method for obligating these daily, high-volume orders without considerable duplication of data entry, which greatly increases the potential for typing errors, causing more difficulty in reconciling.
- (3) For DTP, the total amount of weekly invoices is unknown in advance and the large volume of invoices makes tracking expenditures against the obligation difficult without external tracking mechanisms. Utilizing a 1358 provides a stronger tracking mechanism for these expenditures.

⁴ In pharmacy, the Contracting Officer (from National Acquisition Center) approves the Ordering Officer, who in turn places orders with the prime vendor. When an Ordering Officer establishes 1358 he or she is barred from performing other segregation of duty functions but may receive/certify orders placed by other ordering officers.

(4) To use this approved use, ordering activities must follow the Prime Vendor 1358 Guidebook issued by the Pharmacy Benefits Management Office (PBM).

(5) “Miscellaneous vendor” may not be used.

C. On VA Form 1358, reference the Prime Vendor contract number in the Purpose field.

18. Regulated Utilities

A. Description. Public utilities may be obligated on VA Form 1358 if they are regulated by a state or local governmental authority that has rate structures approved by the regulating body in the form of a published tariff and if the requirements of Federal Acquisition Regulation (FAR) section 41 have been followed by a warranted contracting official. FAR 41.102(b) (3) states that cable television and telecommunications are not considered utilities. Telecommunications is governed by FAR 39 and is now classified as “Electronic and Information Technology” (EIT). It includes, but is not limited to, telecommunications products such as telephones. EIT and any deregulated utility are to be procured by warranted contracting officials and will be obligated on VA Form 2237/PO.

B. Justification.

(1) Public utilities differ from most other providers of goods or services in one important respect. Most utilities are regulated by a state or local governmental authority and have rate structures approved by the regulating body in the form of a published tariff. Federal agencies acquiring utility services may or may not do so under a formal contract. When there is no formal contract, the agency acquires the services in much the same way that an individual customer does—the agency requests the services, and the utility provides them and bills the agency periodically. Acceptance of the services with knowledge of the published rate schedule also constitutes a contract that, depending on the precise facts and circumstances, may be an express oral contract or a contract implied-in-fact.

(2) 31 U.S.C. Section 1501 provides the documentary evidence requirements for government obligations. Amounts will be recorded as an obligation of the Federal government only when supported by documentary evidence, which includes “services provided by Public Utilities” (paragraph (a) (8)).

(3) FAR requires establishment of a bilateral written contract when feasible, even for regulated public utilities. However, an exception exists for making obligations without the benefit of a contract when the procedures and documentation specified in FAR 41.201 and 41.202 have been executed.

(4) Bilateral contracts for utilities will be negotiated by contracting staff, and the contract number will be referenced in the purpose field of the VA Form 1358, unless the exception described in 18B(3) applies.

(5) A copy of the published rates will be provided to the finance activity from the Using Service, and the finance activity will retain for appropriate back-up documentation.

(6) “Miscellaneous vendor” may not be used.

C. On VA Form 1358, describe the utility service in the Purpose field.

19. Reimbursements to or on behalf of VA Employees or Students

A. Description. VA employees can be reimbursed for tuition, book expenses, and examination fees that have been approved on an SF-182, Authorization, Agreement, and Certification of Training, and when all requirements of VA Directive 5015, Employee Development, have been met. In addition, the following payments/reimbursements may be made:

(1) To employees for:

- Professional Liability Insurance (50% of cost), not to exceed \$150⁵
- Certificates or certification licenses required by VA for employees to perform their duties (e.g., pesticide application)⁶
- Education Debt Reduction Program (EDRP)
- Self-certified transit and bicycle benefits, in accordance with Volume III, Chapter 1, Transit Benefit and Bicycle Benefit Programs, Appendix A: Self-Certification Reimbursements.
- OIG Emergency Purchases.

(2) To employees and students for:

- Agreements between VA and an educational institution or an individual, to provide tuition reimbursement or scholarships for college students enrolled in visual impairment or health professional programs, such as the Employee Incentive Scholarship Program and the Health Professional Education Assistance Scholarship Program. The student agrees to work for VA at the end of the training.

⁵ Per Public Law 106-58, dated September 29, 1999, professional liability insurance premiums are one-half the cost incurred, not to exceed \$150. For managers and supervisors, refer to Section 7103(a) of Title 5, and for law enforcement officers, refer to Section 8331(20) or 8401 of Title 5 or Section 4823 of Title 22.

⁶ The employee is responsible for submitting a signed application accompanied by proof of payment.

Obligations for employee reimbursements can be made on VA Form 1358. Tuition expenditures made on behalf of an employee or scholarship recipient and paid directly to a vendor may also be made on VA Form 1358.

B. Justification.

(1) Because reimbursements to VA employees for training are not reportable obligations to the Federal Procurement Data System (FPDS), and they are not subject to procurement regulations, the obligation does not need to be made on a VA Form 2237/PO.

(2) A copy of the approved SF-182 or other documentation required by VA Directive 5015 must be kept on file by the Finance Activity as backup to VA Form 1358 expenditures.

20. Non-Procurement Obligations

A. Description. The following non-procurement obligations may be obligated on a VA Form 1358 as long as the source document for each expenditure is kept on file in the Finance Activity and the Using Service for each authorized transaction against the VA Form 1358.

(1) OneVA Plus Fund, Compensated Work Therapy (CWT) program (used by VA entities to obligate funds to reimburse CWT program for services provided by CWT workers), other VA internal programs and agreements, fees imposed by States for reviews of professional certifications of medical staff to ensure accreditation in the State, and Agent Cashier bank service charges.

(2) VA Homeless Providers Grant and Per Diem Program, Cemetery Grants, State Home Program, and other VA grant programs as authorized by regulatory guidance that meet the criteria of grants as determined in [31 USC, Chapter 63, Using Procurement Contracts and Grant and Cooperative Agreements](#).

(3) Other government agency obligations such as GSA activity (including vehicle, property leasing and utilities), Government Printing Office, Interagency Agreements⁷, Inter-agency Sharing Agreements (including VA/DOD Sharing), Intra-agency Sharing Agreements (VHA, VBA, NCA, OIT), Intergovernmental Personnel Agreements and services (includes Cooperative Administrative Support Units (CASUs)), and Treasury Offset Program (TOP) fees.

⁷ Refer to [Volume I Chapter 11, Reimbursable Agreements](#), for policy and procedures.

B. Justification.

(1) These obligations do not require any action by a procurement official and do not require reporting to FPDS. Using the 1358 under this approved use is not authorization to circumvent the acquisition review; users are encouraged to seek the Office of Acquisition's advice.

(2) Source documents for these obligations may not be automated in the feeder system. For these, supporting documentation would need to be retained.

(3) The NCA State Grant Program, authorized by [38 USC 2408, Aid to States for establishment, expansion, and improvement of veterans' cemeteries](#), authorizes the Secretary to issue an award letter for the monetary grant to a state to establish, expand, or improve a state Veterans' cemetery and to make progress payments from these funds as the work is completed. A Memorandum of Agreement is established between the state and VA stipulating the terms of the grant. These grants are authorized by the Secretary.

C. On VA Form 1358, use the source document reference number in the Purpose field.

21. CHAMPVA, Spina Bifida Health, Children of Women Vietnam Veterans, Foreign Medical Program, and other Chief Business Office Purchased Care programs located at the Health Administration Center.

A. Description. These are fee-for-service activities for medical care furnished by health care providers to Veterans residing or traveling in a foreign country, and health care benefits purchased from health care providers for the treatment of surviving spouses and beneficiaries of Veterans. ([38 USC, Chapter 18, Benefits for Children of Vietnam Veterans and Certain Other Veterans](#))

B. Justification.

(1) The VistA software package is interfaced with the VA Form 1358 package in IFCAP. Unless significant programming changes are made, there is no capability for the paid invoices to be associated with a VA Form 2237/ PO transaction.

(2) Individual authorizations are not issued. One VA Form 1358 may be used to document multiple authorizations.

(3) Use of the VistA software package is required to process health care claims for medical care and to capture and report workload.

(4) Payments are made per Veteran and beneficiary.

(5) Multiple bills may be received for authorized services (x-ray, lab, pharmacy, hospital, possibly multiple bills for each of these services, per doctor).

(6) Multiple providers may be paid for approved services.

(7) A Form 1358 may be used if the volume of transactions has increased.

22. Special Adaptive Housing Inspections

A. Description. Veterans or Servicemembers who have specific service-connected disabilities may be entitled to a grant from VA for the purpose of constructing an adapted home or modifying an existing home to meet their adaptive needs. ([38 USC 2101, Acquisition and adaptation of housing: eligible veterans](#)) VBA Regional Loan Centers employ various inspectors for reviews of properties for compliance with Special Adaptive Housing (SAH) requirements. The amounts and timing of these payments are unknown and an estimated obligation must be established.

B. Justification.

(1) There are no existing contract(s).

(2) There are multiple payees. “Miscellaneous vendor” may be used; identify vendors in the Purpose Field.

C. On VA Form 1358, reference SAH Inspections in the Purpose field.

23. State Approving Agency (SAA)

A. Description. The state legislation established the State Approving Agency (SAA) for approving courses and programs in accordance with the provisions of Title 38, USC. VA is authorized, under the provisions of [38 USC 3671, Designation](#), and [3674, Reimbursement of expenses](#), to reimburse the SAA for reasonable and necessary expenses of salary, travel, administrative costs, outreach activities, and subcontract work incurred by employees of the SAA.

B. Justification.

(1) There are no existing contract(s).

(2) There are multiple payees. “Miscellaneous vendor” may be used; identify vendors in the Purpose Field.

C. On VA Form 1358, reference the SAA in the Purpose field.

APPENDIX B: INVALID USES OF VA FORM 1358

Following are examples of invalid uses of VA Form 1358. This list is not all-inclusive and other authorized obligation forms may be used where appropriate.

1. Deregulated utilities, Network, and or voice/data telecommunications, or combination of services solely relying from both Network and non-Network sources, and electronic and information technology (EIT). Obligate on VA Form 2237/PO.
2. Contract ambulance. Obligate on VA Form 2237/PO.
3. Bed rentals. Obligate on VA Form 2237/PO or Government purchase card.
4. Transcription services. Obligate estimated quantities on a VA Form 2237/PO.
5. Postage. Obligate commercial services on a VA Form 2237/PO or Government purchase card. USPS direct payments may be made using a VA Form 2237/PO, purchase card, or SF 1034, *Public Voucher for Purchases and Services other than Personal*.
6. Facility security services. Obligate contracted services on a VA Form 2237/PO.
7. Desktop delivery of office supplies. Obligate on a VA Form 2237/PO or Government purchase card.
8. General Post Funds. Obligate on VA Form 2237/PO or Government purchase card, except meal tickets and direct payments to Veterans.
9. Construction. Obligate on VA Form 2237/PO. Contingency funds not included in the contract amount should remain unobligated in the appropriate fund control point until required.
10. Interior design/furniture. Obligate on VA Form 2237/PO or Government purchase card.
11. Compensated Work Therapy (CWT), also known as Veterans Industries. For program purchases and contracts, use VA Form 2237/PO.
12. Studies, such as environmental studies. These should be on contract, agreement, or MOU and obligated on VA Form 2237/PO. Note: This does not apply to research studies.
13. Registry for nursing services/temporary services. Obligated on VA Form 2237/PO or purchase card.

14. Headstones. Obligate on VA Form 2237/PO or Government purchase card.
15. Lab tests and blood products. These are individual contracts and single vendors; obligate on VA Form 2237/PO.
16. Demurrage for medical gas cylinders. Obligate contracted services on VA Form 2237/PO.
17. Contracts for medical services performed in a VA facility require the contractor to document services provided in the VHA CPRS package and Patient Encounter systems. As a result, obligation of funds for services provided in a VA facility should be made on VA Form 2237/PO, not on a VA Form 1358 for payment through the VistA Fee software package.
18. Convenience checks. Obligate on VA Form 2237/PO. Refer to [Volume XVI Chapter 1, Government Purchase Card](#).
19. Limited Open Travel Authority. Enter into the travel system.

APPENDIX C: VA FORM 1358 REQUIRED INFORMATION

A. The following information is required for use of a VA Form 1358 entered in IFCAP.

Purpose Field: 1358 Approved Use =	<ul style="list-style-type: none"> • Specific purpose (mandatory field). Refer to section C for a complete listing of approved uses as identified in Appendix A.
Period of Performance =	<ul style="list-style-type: none"> • Start and End Dates
Vendor Field =	<ul style="list-style-type: none"> • Vendor name and address. • Not required for multiple vendors.
Contract Number Field =	<ul style="list-style-type: none"> • Contract number only required when a contract is associated with a vendor and the system allows the format.⁸ If a contract number does not fit the format, enter it in the Description field. • Not required for multiple vendors or when exception designates a single vendor and a regulatory authority, e.g., HISA, Prosthetics.
Description/Justification Field =	<ul style="list-style-type: none"> • Description of service/product being received or ordered. • Multiple vendors (if applicable). • Referenced order, obligation, or contract number, when required and if not included in Contract Number field.

⁸ Integrated Funds, Distribution, Control Point Activity Accounting and Procurement (IFCAP) only brings up the contract number field when a single vendor is input and must be entered in a set format. Also, unless the contract is completed through IFCAP, the contract number may not fit the format. Regulatory authorities cannot be entered in this field.

B. The following information is required for a manual VA Form 1358.

Vendor Field =	<ul style="list-style-type: none"> • Vendor name and address. • Not required for multiple vendors.
Contract Number Field =	<ul style="list-style-type: none"> • Referenced contract, order, or obligation number, when required. • Not required for multiple vendors or when exception designates a single vendor and a regulatory authority, e.g., HISA, Prosthetics.
Purpose Field Description/Justification Field =	<ul style="list-style-type: none"> • Approved use (mandatory). Refer to section C below for a complete listing of approved uses as identified in Appendix A. • Description of service/product being received or ordered. • Specific period of performance (start and end dates.) • Multiple vendors (if applicable).

C. Updated listing of approved uses as identified in IFCAP (based on Appendix A.)
The items below may not be reflective of what is programmed in IFCAP. The following list should be used where differences occur.

Authority	Sub-Authority	Approved Use
1		Nursing Home/Adult Day Health Care
1	A	Nursing Home
1	B	Adult Day Health Care
2		Non-VA Medical Care Program
2	A	Non-VA Medical/Dental Care (pre-authorized)
2	B	Non-VA Medical/Dental/Emergent Transportation (not pre-authorized)
2	C	Homemaker/Home Health Aid
2	D	Non-VA Hospitalization (pre-authorized)
2	E	Non-VA Hospitalization (not pre-authorized)
2	F	Non-Contract Emergency Travel
3		Standardized Obligations
3	A	Federal Telecommunications Services
3	B	College of American Pathology/Joint Pathology Center
3	C	Convenience Check Fees
3	D	Denver Acquisition and Logistics Center Services and Supplies
3	E	No longer used (Formerly Emergency Care Beneficiary Travel, Including Mileage)

Authority	Sub-Authority	Approved Use
3	F	Non VA Medical Care SmartPay (US Bank) formerly Fee Basis Purchase Card; and Patient Centered Community Care (PC3) Centralized administrative fees
3	G	Federal Employees Compensation Program
3	H	SHPS
3	I	Standard Level User Charges/GSA/NARA
3	J	Transit Benefits
3	K	Franchise Fund: Security and Investigations Center
3	L	Franchise Fund: Law Enforcement Training Center
3	M	Franchise Fund: Financial Services Center
3	N	Franchise Fund: Debt Management Center
3	O	Franchise Fund: Corporate Data Center Operations
3	P	Franchise Fund: Records Center and Vault
4		Local Travel under the Manual Threshold (Current IFCAP has Limited Open Travel Authority (LOTA))
5		Research Studies
6		Inter-Library Loan Program
7		Affiliated Agreements for Interns/Residents
8		Tort Claims/EEO Settlements/OIG Confidential Services and Investigative Purchases
9		Volunteer and Resident Meal Tickets and Volunteer Reimbursement
10		Incentive Therapy/Compensated Work Therapy
11		Beneficiary Travel and Direct Payments to Veterans from General Post Fund
12		Home Improvement Structural Alterations
13		Outer Burial Receptacles
14		VBA Lease Agreement Overtime Charges
15		Home Oxygen Bills
16		Prosthetics - New or Repaired Items
17		Pharmacy and Subsistence Prime Vendor
18		Regulated Utilities

Authority	Sub-Authority	Approved Use
19		<p>Reimbursements to or on behalf of VA Employees or Students</p> <ul style="list-style-type: none"> • Professional Liability Insurance (50% of cost) not to exceed \$150 • Certificates or certification licenses required by VA employees to perform their duties (e.g., pesticide application) • Agreements between VA and an educational institution or an individual, to provide tuition reimbursement or scholarships for college students enrolled in visual impairment or health professional programs, such as the Employee Incentive Scholarship Program and the Health Professional Education Assistance Scholarship Program. The student agrees to work for VA at the end of the training. • Self-certified transit benefit and bicycle benefits per VA Volume III, Chapter 1. • OIG Emergency Purchases
20		Non-Procurement Obligations
20	A	One VA Plus Fund, Fees associated with Qualifying Accreditation, and Agent Cashier Bank Service Charges
20	B	Compensated Work Therapy Program
20	C	Internal VA Programs and Agreements
20	D	VA Homeless Providers Grant and Per Diem Program
20	E	Cemetery Grants, State Home Program, and other VA Grant Programs
20	F	GSA Activities and TOP Fees
20	G	Government Printing Office
20	H	Inter-Agency Sharing Agreements (VA/DOD Sharing) and Interagency Agreements
20	I	Intra-Agency Sharing Agreements (VHA, VBA, NCA, OIT)
20	J	Intergovernmental Personnel Agreements and Services, including CASUs
21		Chief Business Office Purchased Care (CBOPC) Programs
21	A	CHAMPVA
21	B	Spina Bifida Health
21	C	Children of Women Vietnam Veterans
21	D	Foreign Medical Program
21	E	Other CBOPC Care Programs
22		Special Adaptive Housing Inspections
23		State Approving Agency (SAA)

APPENDIX D: VA FORM 1358

VA Forms website, <http://vaww4.va.gov/vaforms/> (VA accessible only)

 Department of Veterans Affairs			
1358 OBLIGATION OR CHANGE IN OBLIGATION			
NAME AND ROUTING SYMBOL OF ORIGINATING OFFICE		OBLIGATION NUMBER	DATE OF REQUEST
		NAME OF REQUESTOR	
NAME AND ADDRESS OF VENDOR		CONTRACT NUMBER	
NAME AND TITLE OF APPROVING OFFICIAL	SIGNATURE OF APPROVING OFFICIAL		DATE SIGNED
FUND CERTIFICATION: The supplies and services listed on this request are properly chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof, and funds have been obligated.			
NAME OF PERSON OBLIGATING FUNDS			DATE OBLIGATED
APPROPRIATION AND ACCOUNTING INFORMATION			ESTIMATED OBLIGATION AMOUNT
ESTIMATED OBLIGATION INCREASE/DECREASE AMOUNT			
CHANGE ORDER	INCREASE AMOUNT	DECREASE AMOUNT	BALANCE
PURPOSE (Select the Purpose and complete the Description Field)			
1358 APPROVED USES (OFF VOL II CH 6, 1358 OBLIGATIONS, APP A)		<input type="text" value="1A - Nursing Home"/>	
DESCRIPTION / JUSTIFICATION			