

SAMPLE  
MEMORANDUM

TO: Division Directors  
Office Heads  
Regional Administrators

FROM: [NAME]  
Executive Director

RE: Commission Operations After \_\_\_\_\_

As you know, the Commission's current funding authority expires on midnight, [DAY, MONTH AND DATE] and it does not appear that a Continuing Resolution will be approved by Congress and signed by the President prior to that date. As required by the Attorney General's interpretation of the Antideficiency Act, 31 U.S.C. §665, we are adopting the following procedures to limit obligations or expenditures of funds during this period of lapsed appropriations. These procedures are applicable only for [MONTH AND DATES (FIRST DAY OF LAPSE and SECOND DAY OF LAPSE)]. Further instructions will be issued on [MONTH AND DATE (SECOND DAY OF LAPSE)].

1. All employees should report to work, as scheduled, on [FIRST DAY OF LAPSE].
2. Employees who have already been granted accrued annual leave, prior to the lapse of our appropriation, may complete such leave. Annual leave may not be granted retroactively, nor may it be granted until an appropriation is approved. Employees presently on sick leave may continue on such leave until exhaustion of accrued sick leave, or upon regaining health, whichever occurs first.
3. Routine business can no longer be conducted. Thus:
  - (a) Mail will be received, date-stamped, and delivered to the addressee, but not processed further.
  - (b) Commission meetings have been cancelled and no new releases or other Commission business will take place until further notice.
  - (c) Filings will be received, date-stamped, reviewed for the sufficiency of the filing requirements and delivered to the respective office or division. Filings should receive further processing, including substantive review, only if deemed essential to maintain the orderliness and integrity of the securities markets.

- (d) Telephones should be answered but only for staff members to inform callers of the status of our operations, not to respond to new business matters unless of an emergency nature where the protection of property or life is involved.
- (e) No new travel may begin without clearance from the Executive Director's Office, including travel to litigation related matters and previously scheduled events.
- (f) Previously scheduled meetings and conferences with members of the public should be postponed unless clearance is obtained from the Executive Director's Office. This decision will largely be based on a determination of whether the activity represents an essential or non-essential function of the agency.

Where events have already been scheduled with respect to ongoing enforcement matters, such as depositions, court appearances or hearings in informal and formal investigations, administrative proceedings, and injunctive actions, and such events cannot be cancelled without undue disruption, these events can go forward as part of an orderly conclusion of the matters involved. Matters which can be postponed without threat to persons or property, such as the interview of witnesses or investors, should be rescheduled.

No new actions will be initiated after [MONTH AND DATE (FIRST DAY OF LAPSE)] unless necessary to protect life or property, or prevent the waste of government funds. Complaints cannot be filed; administrative orders cannot be issued; investigative subpoenas may not be issued; broker-dealer and investment adviser inspections cannot be commenced routinely and should not be commenced for cause without approval of the Executive Director's Office.

It is the responsibility of all division directors, office heads, and regional administrators to enforce the provisions of this memorandum.

[NAME] in the Office of the Executive Director (phone - [ - ]) or [NAME] of the Office of the General Counsel (phone - [ - ]) should be consulted with respect to implementation of these procedures, especially with respect to any deviation from the procedures set forth herein.