

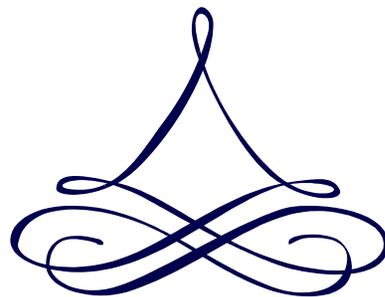


Focusing on the “Hot Spots”

Presented by Vicki Beck

ASN (FM&C), Office of Financial Operations

beck.vicki@fmo.navy.mil/202-685-6721



Comptrollers Conference

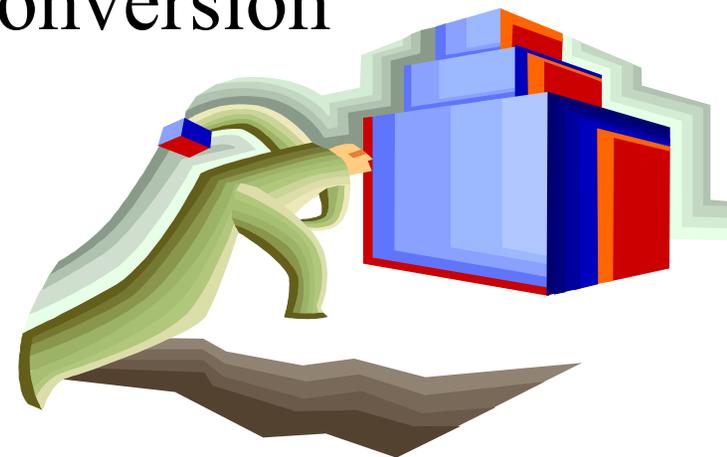
5 March 2002



“Hot Spots:” Areas of Focus



- ❖ 10-Day Obligation
- ❖ Tri-annual Review
- ❖ Problem Disbursements
- ❖ Closed/Expired Accounting
- ❖ Outstanding Travel Advances
- ❖ MOCAS Closeout and Conversion





10-Day Obligation Rule



- Record obligations no later than 10 calendar days after incurred (DOD FMR, Vol. 3, Ch. 8, Section 0803 – *Revised November 2000*)
 - ❑ 6 calendar days – copy of obligating document(s) provided to office responsible for recording obligations
 - ❑ 3 calendar days – upon receipt, record obligation





10-Day Obligation Rule, *cont.*



- If obligations remain unrecorded prior to disbursement and valid obligating documentation is available, DFAS applies 3-/10-Day Rules:
 - ❑ DFAS notifies fund holder
 - \$2,500 or less – obligate within 3 calendar days
 - Greater than \$2,500 – obligate within 10 calendar days
 - ❑ If fund holder fails to obligate within prescribed timeframes, DFAS must
 - Obligate immediately (for General Fund (GF))
 - Pay as transaction for others (TFO) (for Navy Working Capital Fund (NWCF))



10-Day Obligation Rule, *cont.*



➤ ASN(FM&C) Guidance

- ❑ 3 July 2001: 3-/10-Day Rules
- ❑ 24 August 2001: Official list of valid obligating documentation for General Fund

➤ Problems:

- ❑ STARS One Pay "M" Status
- ❑ Prevalidation Issues with MOCAS
- ❑ Increase in UMDs/NULOs
- ❑ CBA Suspended Accounts





Tri-annual Reviews



(DOD FMR, Vol. 3, Ch. 8, Section 0804)

- Purpose: To ensure timeliness, accuracy, and completeness of transactions for each period ending 31 January, 31 May, and 30 September



- Scope: Includes commitments, obligations, accrued expenditures, and earned receivables that are over 120 days old



Tri-annual Reviews, *cont.*



- Dollar thresholds for outstanding commitments & obligations:
 - ❑ \$200,000 or greater—investment appropriations
 - ❑ \$50,000 or greater—operating appropriations
- At fiscal year-end, all commitments and obligations must be reviewed

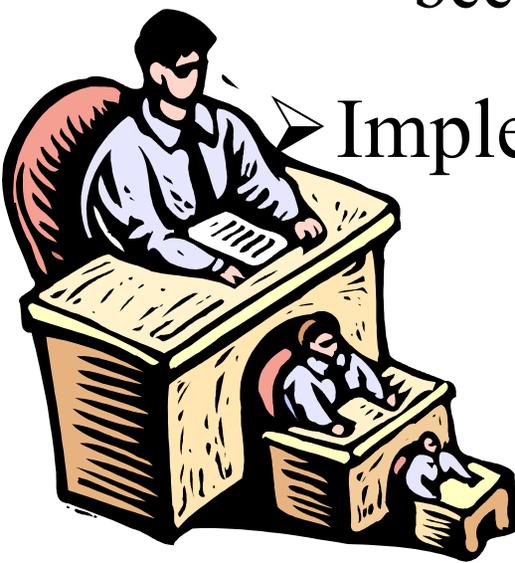




Tri-annual Reviews, *cont.*



- Reviews hold fund holder and Major Command (Comptroller) accountable:
 - Both must certify to the completeness and accuracy of reviews IAW prescribed criteria and that appropriate corrective actions have been taken for erroneous transactions



➤ Implementing guidance issued 16 July 2001
(ASN(FM&C) Office of Budget)



Problem Disbursements



- DOD FMR requirements for obligating overaged PDs
 - Vol. 3, Ch. 11 – When DFAS
 - Has obligation documentation: 3-/10-Day Rules apply
 - Has no obligation documentation: 120-/180-Day Rules* apply for collocated and non-collocated disbursements

(Interim guidance: ASN(FM&C) memo, 3 July 2001)

*New 90-/120-Day rules effective 1 April 2002



Problem Disbursements, *cont.*



120-/180-Day Rules

Disbursement	DFAS Action
Collocated	If fund holder fails to record or correct obligation after 120 calendar days, obligate or correct within 10 calendar days based on disbursement documentation (120-Day Rule)
Non-collocated	Same action as above if fund holder fails to record or correct obligation after 180 calendar days (180-Day Rule)



Problem Disbursements, *cont.*



New DOD Policy: 90-/120-Day Rules

➤ Beginning 1 April 2002, current policy for researching and resolving disbursements is reduced from

- ❑ 120 days to 90 days (collocated)
- ❑ 180 days to 120 days (non-collocated)

(OSD Memo, 11 February 2002)





Problem Disbursements, *cont.*



Post 10/1/00 PDs: 120 Days vs. 180 Days

As of Jan. 2002	> 120 Days \$M (abs)	> 180 Days \$M (abs)
General Fund	\$86	\$32
Marine Corps	\$21	\$11
NWCF	\$79	\$64
Grand Total	\$186	\$107

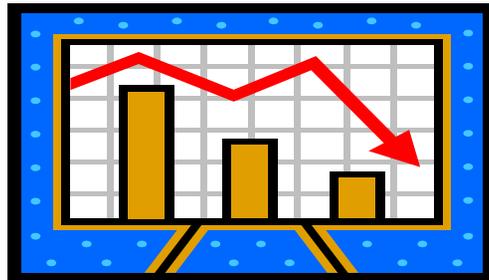
Goal is \$0



Problem Disbursements, *cont.*



- General Fund PD Cleanup (pre 10/1/00)
 - As of November 2001: \$68M
 - Eliminate balance for December 2001 – May 2002 (\$62M as of 31 January 2002)



Goal is \$0



STARS HCM Interfund Suspense Account 3885



AS OF:	COUNT	NET\$	ABSS\$
FY 2001	128K	\$147M	\$201M
Nov. 2001 (JV#1 Processed)	70K	\$50M	\$65.4M
Present (JV#2 in Process)	11K	\$12.4M	\$17M

Future Actions: Will coordinate with DFAS and responsible Major Commands as needed

?? Other Suspense Accounts: STARS-FL, MFCS



Closed/Expired Accounting



- DOD FMR requirements: Volume 3, Chapter 10 (December 2000)

- Closed:
 - ❑ Tracking of unexpended balance plus changes at fiscal year/appropriation level
 - ❑ 1% rule of current authority
 - ❑ Payment of invoices against closed appropriations (1553 Report data as of 31 January 2002: 18 invoices for \$603,030)
 - ❑ Adjustments



Closed/Expired Accounting, *cont.*



➤ Expired:

- ❑ \$4M / \$25M threshold
- ❑ Contract changes



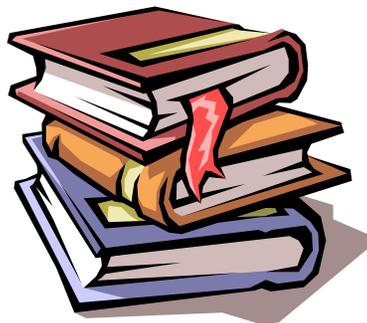


Outstanding Travel Advances (OTAs)



➤ DOD FMR requirements:

- ❑ No advance shall be paid if an employee has a prior advance outstanding (Vol. 9, Ch. 5, section 050511B)
- ❑ OTAs not fully recovered by deductions shall be collected promptly IAW applicable debt collection laws and regulations (Vol. 9, Ch. 5, section 050513E)
- ❑ System of internal controls required to assure repayment of OTAs (Vol. 9, Ch. 5, sections 050405 & 050513)





OTA Initiative



➤ DFAS-CL and DFAS-CH formed IPT in February 2001

□ Goal: To reduce and eliminate OTAs in STARS HCM/FL for fiscal years 1996-1999

□ Results:

- Implemented write-off policy for OTAs \$250 or less (FMO approved in October 2001) Total: \$5.3M (abs)
- In February 2002, proposed write-off policy for OTAs up to \$100,000 (under review by FMO) Total: \$18M (abs)



MOCAS Closeout/Conversion



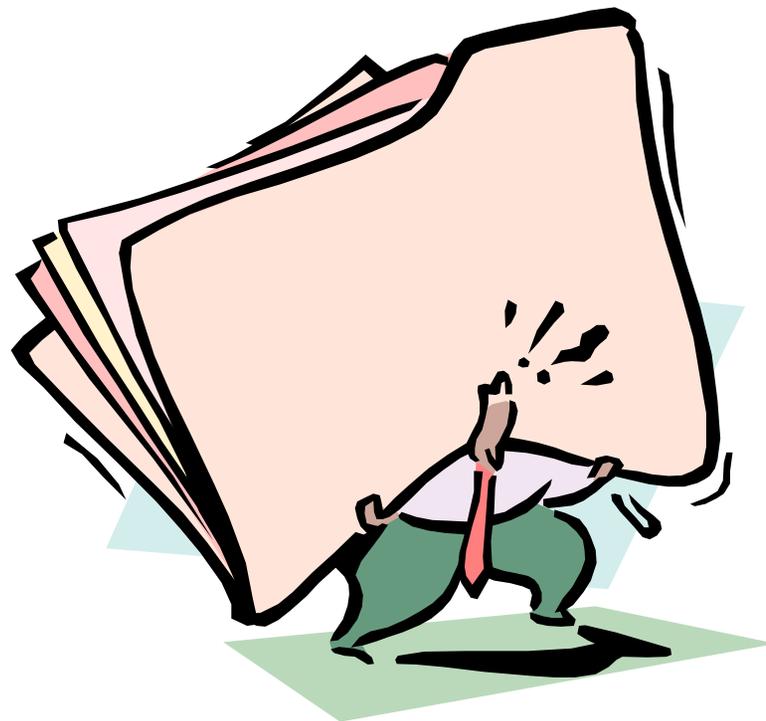
- DON #contracts as of 1/31/02: 105,650
- Current Priority: Physically complete contracts (54,475)
- Focus on resolving financial issues:
 - ❑ Problem disbursements
 - ❑ Discrepancies between MOCAS and applicable accounting system (STARS, MFCS, MISIL, etc.)
 - ❑ Invoices against closed appropriations



MOCAS Closeout/Conversion, *cont.*



- Assist in expediting vendor submission of invoices in closing appropriations
- Work with your acquisition community





We Need Your Feedback



- In complying with various regulations, what are your...
 - ❑ Challenges?
 - ❑ Constraints?
- Do you have the necessary tools available to monitor **“hot spots?”**

