THE ASSISTANT SECRETARY OF THE NAVY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

13 MAR 1997

MEMORANDUM FOR DISTRIBUTION

Subj: OBLIGATIONS FOR PROBLEM DISBURSEMENTS

Ref: (a) USD (C) memo of 8 Oct 1996

Encl: (1) Procedures for Recording Obligations for Problem Disbursements

This memorandum distributes Department of the Navy (DON) guidance in compliance with the reference (a) directive to record administrative obligations for problem disbursements attributable to overaged unmatched disbursements (UMD) and negative unliquidated obligations (NULO). Enclosure (1) contains procedures to be followed by all DON commands for recording of these obligations and provides information and policy on managing moratorium conditions resulting from these directed actions.

In developing these procedures, we attempted to accommodate comments received on earlier drafts. If there still are parts that are not clear or cannot be implemented in your particular circumstances, please contact Ms. Vicki Beck, (703)607-5387/DSN 327-5387.

Deborah P. Christie
DEBORAH P. CHRISTIE

Distribution:
CMC
CNO
AAUSN
CINCLANTFLT
CINCPACFLT
CINCUSNAVEUR
COMNAVAIRSYSCOM
COMNAVSEASYSCOM
COMSPAWARSYSCOM
COMNAVFACENGCOM
COMNAVSPECWARCOM
COMNAVSUPSYSCOM
COMNAVRESFOR
COMNAVMETOCCOM
COMNAVSECGRU
COMNAVCOMTELCOM

Subj: OBLIGATIONS FOR PROBLEM DISBURSEMENTS

Distribution (continued):
COMSC
BUPERS
BUMED
DIRSSP
ONR
ONI
CNET
NAVSYSMGMTACT

Copy to:
USD(C)
DFAS-HQ
DFAS-CL
DFAS-KC

PROCEDURES FOR RECORDING OBLIGATIONS FOR PROBLEM DISBURSEMENTS

I. GENERAL

The Under Secretary of Defense (Comptroller) (USD(C)) requires that obligations be recorded for certain unresolved problem disbursements. Attachment A provides a listing of the guidance issued by the USD(C) and the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN(FM&C)) concerning this subject. A summarization of the current policy as it relates to recording obligations for problem disbursements is as follows:

1. An administrative obligation equal to the value of all unresolved unmatched disbursements (UMDs) and negative unliquidated obligations (NULOs) greater than 180 days old (the term "overaged" will be used throughout this document) must be posted monthly in the official accounting records. The amount to be recorded must reflect the net value of problem disbursements in the above categories. This amount may be offset by the value of correction packages submitted to the Defense Finance and Accounting Service (DFAS), and other requests for corrections.

2. The Department of the Navy (DON) is no longer required to record obligations for the value of overaged in-transit disbursements that are not scheduled to close in the current fiscal year. For those overaged in-transit disbursements citing appropriations that will close in the current fiscal year, an administrative obligation reflecting the net value of these disbursements must be recorded by 30 June of the fiscal year in which the cited appropriation is scheduled to close.

3. The recording of an administrative obligation for the value of overaged problem disbursements does not eliminate the requirement to research and correct problem disbursements. If continued research is deemed to not be warranted, approval to discontinue the research process is required. Requests for approval to discontinue research should be submitted to the ASN(FM&C) after coordination with, and approval by, the DFAS Cleveland (CL) or Kansas City (KC) centers. The ASN(FM&C) will notify fund authorization holders when these items are approved

for discontinued research and when the amounts will be excluded from the reports and database.

II. SCOPE

This guidance is applicable to all active and expired appropriations and funds provided to the Department of the Navy (DON) and encompasses procedures for obligating unresolved UMDs and NULOs. This includes Treasury Index 17 and 97 appropriations. Excluded are the Defense Business Operations Fund (Navy Working Capital Fund) and Foreign Military Sales accounts. Guidance for these accounts will be issued separately.

Obligations for unresolved problem disbursements in accounts which have been closed by operation of Public Law 101-510 will be recorded at the Departmental level.

III. OVERVIEW OF THE PROCESS

The following provides highlights of the process to be followed in the recording of administrative obligations for unresolved overaged UMDs and NULOs. Detailed guidance is provided in sections IV through VII.

1. *The servicing DFAS organization or other authorized* accounting activity (AAA) provides a listing of unresolved UMDs and NULOs, stratified by age. (see section IV.1)

2. Fund authorization holders review and modify the listing of overaged UMDS and NULOs for designated categories of transactions to be excluded by policy. (see section IV.2)

3. Fund authorization holders post an administrative obligation up to their unobligated balance. If fund authorization holders determine insufficient unobligated balances exist to cover overaged UMDs and NULOs, impose a moratorium on the affected fund authorization. (see section IV.3)

4. Fund authorization holders research outstanding commitments and existing obligations to identify potential cancellations to be used to cover outstanding problem disbursements and subsequent months' anticipated overaged UMDs and NULOS. (see sections IV.5b and V.2)

5. Fund authorization holders immediately notify the grantor of the funds authorization of any outstanding problem *disbursements balance requiring an obligation. (see sections* IV.5 and V.3)

6. Grantors of fund authorizations record administrative obligations or provide additional funds via reprogramming to fund any outstanding overaged UMDs and NULOs identified by their subordinates. (see section IV.5a)

7. Fund authorization holders submit a report to their Service's DFAS center of the administrative obligations for overaged UMDs and NULOs and the value of correction packages and other adjustments requested to offset these obligations. (see section VI.1)

8. DFAS reviews the posting of administrative obligations and on a monthly basis reports any insufficient postings to fund authorization holders and any authorizations/appropriations that are fully obligated to the ASN(FM&C). (see section VI.2)

9. Fund authorization holders may request waivers for new obligations or new obligation adjustments in accounts that are fully obligated. (see section VII)

IV. PROCEDURES FOR RECORDING ADMINISTRATIVE OBLIGATIONS

The following provides detailed procedures to be followed in recording administrative obligations for overaged UMDs and NULOs.

1. A listing of overaged UMDs and NULOs will be provided monthly to fund authorization holders (e.g., allocation, suballocation, allotment, operating budget) by the servicing DFAS organization or other AAA. This report will provide document level information by appropriation symbol and fiscal year, stratified by age, and will be made available on or around the 20th calendar day of the month but not later than the 24th calendar day. This listing of overaged UMDs and NULOs will be based on the problem disbursements for the prior month's business and whenever possible will be in an electronic format. Major commands should work with their servicing DFAS or other AAA to develop the required communication and data links to their local management systems.

2. The fund authorization holder will review and annotate the listing to exclude the value of (a) correction packages submitted for ASN(FM&C) approval for forwarding to DFAS; (b) other corrective actions (i.e., NAVCOMPT Form 621, NAVCOMPT Form 2277, Requests for Billing Corrections) supported by appropriate documentation; and (c) overpayments to contractors for which DFAS has issued a demand letter.

Each transaction correcting a problem disbursement and each summary obligation shall be supported by documentation to form the necessary audit trails. This documentation shall be maintained by fund authorization holders and their servicing DFAS organizations or other AAA when the transaction involves a disbursement correction. Forms of documentation shall include but not be limited to work papers, vouchers, correction notices, document histories, and other related material produced by DFAS during the initial 120 day research period.

3. Immediately upon receipt of the UMD and NULO listing from the DFAS, fund authorization holders will post an administrative obligation equal to the NET value of the overaged UMDs and NULOs, <u>less</u> the value of correction packages and other requests for adjustments as outlined in paragraph IV.2.

a. Administrative obligations shall be recorded up to the value of the unobligated balance of a fund authorization for each appropriation/fiscal year. If the resulting NET value of overaged UMDs and NULOs is a credit value, fund authorization holders should not automatically record a deobligation. The credit values must be researched on a case by case basis to determine the appropriate action.

b. The recording of administrative obligations will be based on the UMD and NULO listing provided by DFAS or other AAA discussed in Paragraph IV.1. Adjustments to administrative obligations for overaged UMDs and NULOs are authorized to be made to account for valid unrecorded obligations which occurred before, but were identified after, the posting of the administrative obligations. Otherwise, these administrative obligations will remain in effect until the subsequent month's overaged UMD and NULO listing is provided by DFAS or other AAA. If corrections to overaged UMDs and NULOs are identified subsequent to the official close of the fund authorization

records by DFAS and the corrections are identified prior to receipt of next month's UMD and NULO listing, fund authorization holders may adjust the administrative obligation. The net value of the correction does not have to be held as a pending reduction to the next month's listing.

4. Irrespective of the level in which the administrative obligations are recorded, they will be posted to the official accounting system based on a standard approach detailed in attachment B. Attachment B provides detailed procedures outlining the structure of subheads and document numbers to be used. It is important that these procedures be followed as they will allow managers to monitor and report on the DON's progress and compliance with the USD(C) requirement to obligate for overaged UMDs and NULOs. The basic designated structure uses preassigned subheads, document numbers and/or job order numbers for administrative obligations for UMDs, NULOs and in-transit disbursements. Subheads shall have the following titles:

Obligations for Unmatched Disbursements
Obligations for Negative Unliquidated Obligations
Obligations for Overaged In-transit Disbursements

In addition, a specific document number will be used in all official accounting and reporting systems for each category of problem disbursements for which an obligation has been recorded. Instructions on the construction of these document numbers is provided in attachment B.

a. Subheads established for problem disbursements are not subject to reprogramming thresholds. However, reprogramming constraints remain applicable to the programs within lump sum appropriations from which budget authority is being reprogrammed for the purpose of financing problem disbursements. For example, the Research, Development, Test and Evaluation, Navy appropriation is subject to a number of reprogramming restrictions for both increases and decreases, which must be adhered to by all fund authorization holders.

b. Appropriations enacted with statutory subdivisions are unique and must be treated differently. Accounts enacted with statutory subdivisions are separate appropriations, therefore, administrative obligations for problem disbursements

must be recorded within the statutory subdivision. In these cases, the administrative obligation should be recorded using a subhead and the problem disbursement document numbers within the statutory subdivision.

5. For any account at the fund authorization holder level for which, as a result of posting the adjusted value of overaged UMDs and NULOs, there is no remaining unobligated balance, the fund authorization holder will immediately place the authorization at the local level in an obligation moratorium status. In addition, the fund authorization holder will immediately notify the funds grantor of the zero unobligated balance condition. Any new obligations or new upward obligation adjustments against the affected account will cease. Any deobligations must be used for the recording of any outstanding unresolved overaged UMDs and NULOs prior to being used for new obligations or new upward obligation adjustments. Fund authorization holders are precluded from reobligating for purposes other than covering overaged UMDs and NULOs until all outstanding overaged UMDs and NULOs are covered by obligations.

a. Upon notification of a moratorium condition by the fund authorization holder, the funds grantor will take immediate action to identify other unobligated balances within the grantor's funds authorization. The funds grantor shall ensure that any such unobligated funds are obligated for remaining outstanding overaged UMDs and NULOs that could not be recorded by their fund authorization holders because of the moratorium condition at the fund authorization holder level. If, after all available unobligated funds are applied to obligations representing the adjusted net value of overaged UMDs and NULOs, the funds grantor still does not have sufficient unobligated balances to cover the full value of the required administrative obligation, the funds grantor will immediately notify the next higher level within the funds distribution chain. The same procedures discussed above for the funds grantor will be implemented throughout the funds distribution chain up to the Departmental level if necessary. Attachment C contains examples of alternative actions available to comply with this guidance.

b. No part of this guidance removes the responsibility to comply with regulations requiring the posting of all existing valid obligations. Obligations or obligation adjustments that

were incurred but not recorded before the recording of the administrative obligation for the overaged UMDs and NULOs must be recorded and the administrative obligation should be adjusted accordingly (see section IV.3b). However, for any fund authorization accounts at any level under a moratorium or for an appropriation under a moratorium, all **NEW** obligations or **NEW** upward obligation adjustments are prohibited. This restriction is applicable to adjustments such as within-scope changes, contract modifications, or other funds usage documents, that are issued after the date a fund authorization enters a moratorium. Because automatic system obligation adjustments are made in some cases for travel payments or supply system requisitions, fund authorization holders under a moratorium status must identify documents for deobligation or request additional budget authority from their funds grantor to preclude a potential violation of the Antideficiency Act.

c. Failure to fully comply with these requirements may result in a potential Antideficiency Act violation. Should a new obligation or new upward obligation adjustment be incurred (a) in an account, at any level, that has been fully obligated as a result of unresolved overaged UMDs or NULOs, <u>and</u> (b) after the date the account was placed in a moratorium condition, such an obligation constitutes a potential violation of the Antideficiency Act and must be recorded even if it will result in recorded obligations in excess of available resources. Additionally, major commands must report a potential violation of the Antideficiency Act and initiate the applicable investigation and report as detailed in DOD Financial Management Regulation (FMR)(DOD 7000.14-R), Volume 14 and reference (k), listed in attachment A.

V. ADMINISTRATION OF APPROPRIATIONS AFTER RECORDING OF ADMINISTRATIVE OBLIGATIONS

1. In cases where the recording of administrative obligations results in a zero unobligated balance at the appropriation level, a moratorium notification will be distributed to all DON fund authorization holders by the ASN(FM&C) (see section VI.3). For these appropriations, all new obligations and new upward obligation adjustments will be prohibited until sufficient unobligated balances can be identified to cover all outstanding overaged UMDs and NULOs or

until enough UMD and NULO transactions are corrected to produce an available unobligated balance in the account.

2. In cases where an account is not in a moratorium condition, DON fund authorization holders may execute the current program up to the value of the current funds authorized, less the adjusted value of overaged UMDs and NULOs. It should be noted that upward obligations greater than $1 million in expired accounts and obligations to closed accounts are exceptions governed by provisions in reference (b), listed in attachment A.

3. Major commands establish procedures for the execution of their segments of an account that are not fully obligated but have significantly reduced unobligated balances. However, because of the increased risk of a violation of the Antideficiency Act, fund authorization holders who have fully obligated their funds are advised to immediately identify documents that could be canceled to cover the potential liability that could be incurred in the month subsequent to the reporting month they are obligating problem disbursements. Fund authorization holders should notify their funds grantor of any pending obligation or outstanding commitment requirements in excess of their unobligated budget authority. The funds grantor should take necessary action to either increase the authorization or provide other direction.

4. To preclude over obligation of a fund authorization, unliquidated obligations should continue to be reviewed with the intent of making budget authority available through identification of additional amounts for deobligation.

VI. REPORTING REQUIREMENTS

1. Monthly reporting requirements specified in references (d) and (e) of attachment A are replaced with requirements and format provided in attachment D. Note that the revised report format includes the following elements of the full line of accounting: BFY-EFY/APPN/SH/BCN/SA/AAA. All fund authorization holders are required to submit a monthly report of obligations posted to cover overaged problem disbursements by the last day of the month following receipt of the overaged UMD and NULO listing from DFAS or other AAA. This report must summarize by fiscal year/appropriation/subhead the value of overaged problem

disbursements obligated, the value of outstanding corrections, the value of the unobligated balances before and after posting for overaged problem disbursements, and any remaining overaged problem disbursement value not obligated. This report will be submitted to the Service's supporting DFAS Center with a copy to the fund authorization holder's supporting DFAS organization or other AAA and when requested, to major commands. Electronic submission to DFAS-CL at internet "nulo@cleveland.dfas.mil," and to DFAS-KC at internet "jacurtis@cleveland.dfas.mil," is desired. For purposes of DON reporting, DFAS-KC center will submit a consolidation of their reports to DFAS-CL for consolidation.

2. DFAS-CL upon receipt and consolidation of the fund authorization holders' reports and completion of the monthly departmental reports will notify the ASN(FM&C) of all appropriations that will be in an obligation moratorium status for that reporting period. This report will identify each major command/funds grantor within each appropriation/fiscal year which will be in an obligation moratorium condition.

3. A notification of an appropriation-level moratorium will be distributed as required to all DON fund authorization holders by the ASN(FM&C). This notification will be dated and sequentially numbered. It will identify those appropriations under a moratorium condition, highlighting new accounts and noting accounts that have dropped off the list, and will provide the outstanding overaged UMD/NULO balance that was not obligated. Accounts will remain in a moratorium condition at the appropriation level until removed by notification of the ASN (FM&C).

4. DFAS-CL will prepare consolidated monthly reports providing the following information: (a) the required obligations for overaged problem disbursements; (b) the value of correction packages; (c) the obligations posted; (d) the ending unobligated balance; and (e) for accounts with a zero or negative unobligated balance, any remaining outstanding overaged problem disbursement balances that were not obligated. This report will be issued to major commands/fund grantors (with copies to ASN(FM&C)) and will identify appropriation/fiscal year, by fund authorization holders. Reports will be distributed along with the monthly Appropriation Status by Fiscal Year Program and Subaccounts Report (DD Comp(M) 1002).

VII. WAIVER REQUESTS

The requirement to record administrative obligations for overaged UMDs and NULOs is not intended to adversely impact the safety of personnel or material, the readiness of Navy and Marine Corps forces, the morale and welfare of the forces or ongoing fleet contingency operations. Obligation requirements that will adversely impact these areas, in those cases where an appropriation is in a moratorium status, should be forwarded to the ASN(FM&C). USD(C) approval is required before the waiver can be granted. All other requests to obligate under a local moratorium condition should be submitted to the major command/funds grantor of the affected account.

1. If the requirement to record an administrative obligation will have a significant impact on operational requirements or contract performance/deliveries, an impact statement requesting a waiver from the obligation requirement should be submitted via the chain of command to the ASN(FM&C). This request should be submitted in the format of attachment E and should as a minimum, include the following information:

a. The specific impact the enforcement of the requirement to obligate will have, such as contracts that will not be executed, planned training exercises that will not be accomplished, or stoppage of ongoing production or delivery of weapons systems or end items to meet force readiness.

b. Specific actions that have been taken by the major command since becoming aware of the problem disbursement, to research and correct the situation and prevent the adverse impact to the program in question. This should include the actions taken within the 60 days prior to the requirement to obligate where research and resolution responsibility has passed from DFAS to the DON.

c. An assessment as to potential termination costs or claims that would arise as a result of terminating contracts or reducing the scope of contracts.

2. A waiver request will not be accepted by the ASN(FM&C) earlier than 60 days prior to the requirement to record the obligation adjustment for the overaged UMDs and NULOs.

PROBLEM DISBURSEMENT GUIDANCE

(a) USD(C) memo of 31 Mar 94; Subj: Negative Unliquidated Balances/Disbursements in Excess of Obligations

(b) ASN(FM&C) memo of 27 Jun 95; Subj: Approval Authority of Upward Obligation Adjustments to Expired and Closed Accounts

(c) USD(c) memo of 30 Jun 95; Subj: Obligation of Amounts for Unmatched Disbursements and Negative Unliquidated Obligations

(d) ASN(FM&C) memo of 3 Aug 95; Subj: Recording Obligations for Problem Disbursements

(e) ASN(FM&C) memo of 25 Jan 96; Subj: Obligation Reporting Requirements for Problem Disbursements over 180 Days Old

(f) USD(C) memo of 8 Oct 96; Subj: Obligation of Funds for Problem Disbursements

(g) ASN(FM&C) memo of 6 Nov 96; Subj: Procedures for Expensing Problem Disbursements over 180 days old in the Defense Business Operations Fund

(h) ASN(FM&C) memo of 21 Nov 96; Subj: Obligation of Funds for Problem Disbursements

(i) USD(C) memo of 16 Dec 96; Subj: In-Transit Disbursements

(j) ASN(FM&C) memo of 24 Dec 96; Subj: Obligation of Funds for Unmatched Disbursements and Negative Unliquidated Obligations

(k) ASN(FM&C) memo of 25 Jun 96; Subj: Administrative Control of Funds and Antideficiency Act Violations

Attachment A

Obligations for Problem Disbursements
Subheads/Document Numbers and Job Order Number

I. General. A uniform approach will be used by all fund authorization holders when recording administrative obligations for problem disbursements. The administrative obligations will be recorded against the applicable categories of problem disbursements as follows:

Obligations for Unmatched Disbursements
Obligations for Negative Unliquidated Obligations
Obligations for In-transit Disbursements

The administrative obligations for problem disbursements will be recorded to the subhead and document number, or a job order number and a document number, as described below.

II. Subhead and Document Number Structures

1. A unique subhead will be used to identify obligations for each category of problem disbursement. Exceptions include appropriations governed by statutory subdivisions; Defense-wide appropriations; fund authorization holders who use STARS-FL; and fund authorization holders who use the Standard Accounting, Budgeting and Reporting System (SABRS). The remaining elements of the long line of accounting used to record the obligations (i.e., bureau control number, authorization accounting activity, etc.) should be those used by the obligating activity during the normal course of business.

2. Specific formats are provided in this attachment for subheads and document/job order numbers to be used when recording administrative obligations for problem disbursements at the major command/fund authorization holder level within the Department of the Navy. These subheads and document/job order numbers are to be established only for the recording of these administrative obligations; no disbursements are to be charged to these documents.

III. Navy Systems

1. **STARS-HCM**

a. **Subhead**. The 4-position subhead for STARS-HCM Navy (Treasury Index 17) accounts is presented below. Fund authorization holders/grantors may expand upon their structure if they need to capture other accounting and management information. Expanded structures used by fund authorization holders/grantors should be passed to DFAS-Cleveland via the ASN (FM&C).

Position 1	- Claimant Identifier		
Position 2	- Activity Group Z		- for all PD obligations, except R&D which will use a 6 in this position
Positions 3&4	- Alpha Code	UU	- Obligations for UMDs
		NN	- Obligations for NULOs
		TT	- Obligations for In-Transit Disbursements

b. **Document Numbers**. The document number used to record obligations for problem disbursements in STARS-HCM will depend on the type of problem disbursement for which the obligation is being recorded (see position 11 below).

- Position 1 will be N for Navy.
- Positions 2 through 6 will be the unit identification code of the fund authorization holder recording the obligation.
- Positions 7 and 8 will be the same as the beginning fiscal year of the appropriation.
- Positions 9 and 10 will be MD to indicate a miscellaneous document type.
- Position 11 will be either:
  U - obligations for unmatched disbursements,
  N - obligations for negative unliquidated obligations,
  T - obligations for in-transit disbursements.
- Positions 12 through 15 will be the four character Treasury Symbol of the appropriation being cited. For Department of Defense accounts (Treasury Index 97),

Document Number Format for NODOC or Zero-filled Document Numbers: **N + UIC + FY + MD + 66666**

- Position 1 will be N for Navy.
- Positions 2 through 6 will be the unit identification code of the fund authorization holder recording the obligation.
- Positions 7 and 8 will be the same as the beginning fiscal year of the appropriation.
- Positions 9 and 10 will be MD to indicate a miscellaneous document type.
- Positions 11 through 15 will be special designator 66666.

Example: **N 0 0 0 1 2 9 7 M D 6 6 6 6 6**

Special Job Order Number: **UIC + FY + 66666**

- Positions 1 through 5 will be the unit identification code of the fund authorization holder recording the obligation.
- Position 6 will be the same as the last digit of the beginning fiscal year of the appropriation.
- Positions 7 through 11 will be special designator 66666.

Example: **0 0 0 1 2 7 6 6 6 6 6**

IV. Marine Corps Systems

1. **SABRS**

a. **Subhead**. For O&MMC and O&MMCR, the subhead used to record administrative obligations for overaged problem disbursements will be the normal subhead used in the daily conduct of business. Instead of the subhead, a budget reporting code (BRC) within the financial information pointer (FIP) is used, in conjunction with a special document number as identified below, to distinguish the type of problem disbursement being administratively obligated in SABRS. Following are the BRCs to be used in administratively obligating problem disbursements:

BRC	Title
UX	UMD
NX	NULO
AB	In-transit Disbursements (HQMC use only)

b. **Document Numbers**. The document number format used to record obligations for problem disbursements in SABRS depends on the type of problem disbursement for which the obligation is being recorded (see positions 11-15 below): **M + UIC + FY + MD + 0NULO or 00UMD**

- Position 1 will be M for Marine Corps.
- Positions 2 through 6 will be the unit identification code of the fund authorization holder recording the obligation.
- Positions 7 and 8 will be the same as the beginning fiscal year of the appropriation.
- Positions 9 and 10 will be MD to indicate a miscellaneous document type.
- Positions 11 through 15* will be either:
  0NULO - obligations for negative unliquidated obligations,
  00UMD - obligations for unmatched disbursement,
  in transit obligations recorded by HQMC

Document Number Formats

M _ _ _ _ _ 97 MD 0NULO
M _ _ _ _ _ 97 MD 00UMD

2. **HAS/MCMAS** - For all appropriations other than O&MMC and O&MMCR, the following subheads will be used in HAS and MCMAS to record administrative obligations for overaged problem disbursements; document numbers are not applicable.

Subhead	Title
6UMD	Obligations for UMDs
6ULO	Obligations for NULOs
6INT	Obligations for In-transit Disbursements (HQMC use only)

Obligations for Overaged UMD/NULO Case Studies

Case 1.

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,000	$700
CNO	25,000	24,700	300
CINCLANTFLT	6,000	5,800	200
AIRLANT	2,000	1,982	18
NAVAIRSTA AA	400	395	5
NAVAIRSTA BB	400	396	4

On 20 February 1997, OPLOC Charleston provides NAVAIRSTA AA a listing of overaged UMD/NULOs for January 1997 business. Included in this list is $1.3 million of overaged UMD/NULOs against its Fiscal Year 1995 Operation and Maintenance, Navy account that require posting. NAVAIRSTA AA has also submitted $.3 million of correction packages. The following actions are required:

- NAVAIRSTA AA computes the required administrative obligations (overaged UMD/NULOs - correction packages) up to the amount of unobligated balance ($1.3M -$.3M = $1M).
- Since 1M </= unobligated balance, NAVAIRSTA AA posts $1.0M of obligations against appropriate overaged UMD/NULOs accounting line (February business).
- NAVAIRSTA AA notifies chain of command of the posting.

Results:

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,001	$699
CNO	25,000	24,701	299
CINCLANTFLT	6,000	5,801	199
AIRLANT	2,000	1,983	17
NAVAIRSTA AA	400	396	4
NAVAIRSTA BB	400	396	4

Attachment C

Case 2.

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,000	$700
CNO	25,000	24,700	300
CINCLANTFLT	6,000	5,800	200
AIRLANT	2,000	1,982	18
NAVAIRSTA AA	400	395	5
NAVAIRSTA BB	400	396	4

On 20 February 1997, OPLOC Charleston provides NAVAIRSTA AA a listing of overaged UMD/NULOs for January 1997 business. Included in this list is $8.3 million of Overaged UMD/NULOs against its Fiscal Year 1995 Operation and Maintenance, Navy account. NAVAIRSTA AA has also submitted $.3 million of correction packages. The following actions are required:

- NAVAIRSTA AA computes the required administrative obligations (overaged UMD/NULOs - correction packages) up to the amount of unobligated balance ($8.3M -$.3M = $8M or $5M whichever is less).
- Since $5M = unobligated balance, NAVAIRSTA AA posts $5M of obligations against appropriate overaged UMD/NULOs accounting line (February business).
- NAVAIRSTA AA issues moratorium on further obligations.
- NAVAIRSTA AA notifies AIRLANT that they have an unfunded requirement of $3M for the posting of overaged UMD/NULOs ($8M-$5M).
- AIRLANT reprograms $3M from NAVAIRSTA BB to NAVAIRSTA AA (or from another AIRLANT funding source).
- NAVAIRSTA AA posts an additional $3M of obligations against appropriate overaged UMD/NULOs accounting line (February business).
- Chain of command is notified of the postings.
- **Note:** The grantor has the option of posting the obligation at its level instead of reprogramming funds to the lower level.

Results:

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,008	$692
CNO	25,000	24,708	292
CINCLANTFLT	6,000	5,808	192
AIRLANT	2,000	1,990	10
NAVAIRSTA AA	403	403	0
NAVAIRSTA BB	397	396	1

Case 3.

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,000	$700
CNO	25,000	24,700	300
CINCLANTFLT	6,000	5,800	200
AIRLANT	2,000	1,982	18
NAVAIRSTA AA	400	395	5
NAVAIRSTA BB	400	396	4

On 20 February 1997, OPLOC Charleston provides NAVAIRSTA AA a listing of overaged UMD/NULOs for January 1997 business. Included in this list is $30.3 million of overaged UMD/NULOs against its Fiscal Year 1995 Operation and Maintenance, Navy account. NAVAIRSTA AA has also submitted $.3 million of correction packages. The following actions are required:

- NAVAIRSTA AA computes the required administrative obligations (Overaged UMD/NULOs - correction packages) up to the amount of unobligated balance ($30.3M -$.3M = $30M or $5M whichever is less).
- Since $5M = unobligated balance, NAVAIRSTA AA posts $5M of obligations against appropriate overaged UMD/NULOs accounting line (February business).
- NAVAIRSTA AA issues moratorium on further obligations.
- NAVAIRSTA AA notifies AIRLANT that they have an unfunded requirement of $25M for the posting of overaged UMD/NULOs ($30M-$5M).
- AIRLANT reprograms $4M from NAVAIRSTA BB and an additional $9M from another AIRLANT funded program to NAVAIRSTA AA.
- AIRLANT issues moratorium on further obligations.
- AIRLANT notifies CINCLANTFLT that they have an unfunded requirement of $12M for the posting of Overaged UMD/NULOs ($25M-$4M-$9M).
- CINCLANTFLT reprograms $12M from another CINCLANTFLT funded program to AIRLANT who in turn allocates it to NAVAIRSTA AA.
- NAVAIRSTA AA then posts an additional $25M of obligations against appropriate overaged UMD/NULOs accounting line (February business).
- Chain of command is notified of the postings.

Results:

FY 1995 O&M,N 1804 dollars

(Dollars in millions)

Grantor	Auth	Obl	Unobl
DoN/FMO	$25,700	$25,030	$670
CNO	25,000	24,730	270
CINCLANTFLT	6,000	5,830	170
AIRLANT	2,012	2,012	0
NAVAIRSTA AA	425	425	0
NAVAIRSTA BB	396	396	0

Attachment C

Problem Disbursement >180 days Obligation Report Definitions

General. The following provides the definitions and sample report format to be used by all Department of the Navy fund authorization holders to record obligations for problem disbursements over 180 days old. This report is required to be submitted on a monthly basis to DFAS-CL, preferrable as an electronic file (e:mail), or on a diskette.

Column Title:	Column Definition
Beg/End FY. Appropriation Symbol	Self-explanatory.
Total NULOs notified by DFAS (Column 1)	The total net dollar value of all negative unliquidated obligations at least 180 days old as reported by DFAS.
Total UMDs notified by DFAS (Column 2)	The total net dollar value of all unmatched disbursements at least 180 days old as reported by DFAS.
Total Problem Disbursements Notified by DFAS (Column 3)	The total net dollar value of problem disbursements at least 180 days old, i.e., (sum of columns 1 and 2).
NULO correction/Adj. Packages to DFAS (Column 4)	The dollar value of obligation adjustments and/or corrections forwarded outstanding via NC-621, NC-2277, or overpayment demand letter submitted to DFAS or FMO to be applied against a negative unliquidated obligation that is over 180 days old.
UMD correction/Adj. Packages to DFAS (Column 5)	The dollar value of obligation adjustments and/or corrections forwarded outstanding via NC-621, NC-2277, or overpayment demand letter submitted to DFAS or FMO to be applied against a unmatched disbursement that is over 180 days old.
Total Correct/Adj. Submitted to DFAS (Column 6)	The total dollar value of obligations adjustments and/or Submitted corrections for negative unliquidated obligations and unmatched disbursements, i.e., (sum of columns 4 and 5).
Net NULO Amt. to be obligated (Column 7)	The net amount of negative unliquidated obligations to be obligated equals column (1) less column (4).

Attachment D

Net UMD Amt. to be obligated (Column 8)	The net amount of unmatched disbursements to be obligated equals column (2) less column (5).
Total Net Problem Disbursement Amt. to be obligated (Column 9)	The total net amount of problem disbursements to be obligated is the total of net NULO (column 7) and net UMD (column 8) amounts.
Total Unobligated Balance (Column 10)	The total amount of budget authority available in the account for obligations as of the current report date.
Total Obligations recorded by Command (Column 11)	The total amount of unobligated balance (Column 8) to be applied by claimant command against problem disbursements over 180 days old.
Total Unobligated Balance Remaining (Column 12)	The total amount of unobligated balance remaining in the account subsequent to recording an obligation against a problem disbursement over 180 days old.
Total Outstanding Unliquidated Problem Disbursements (Column 13)	If the total amount of unobligated balance applied against a problem disbursement causes an insufficient balance, then the amount that is overage should be recorded in this column. This overage amount creates a moratorium in the appropriation account until the unobligated balance is restored.

UIC:

"SAMPLE REPORT"

OBLIGATIONS FOR PROBLEM DISBURSMENTS >180 DAYS AS OF _____

($000) THOUSANDS

Beg-End FY/Appn.Sym/ Subhd/ BCN/ SA/ AAA	Total NULOs Notified by DFAS (1)	Total UMDs Notified by DFAS (2)	Total Problem Disb. Notified by DFAS (3)	NULO Correct/Adj. Packages to DFAS (4)	UMD Correct/Adj. Packages to DFAS (5)	Total Correct/Adj. Submitted to DFAS (6)	Net NULO Amt. to be Obligated (7)	Net UMD Amt. to be Obligated (8)	Total Net Prob Disbs. Amt. to be Obligated (9)	Total Unobligated Balance (10)
FY94-94/18048ZNN00040AA06834	1,000	$0	$1,000	$400	$0	$400	$600	$0	$600	$0
FY95-95/18048ZUU00040AA06834	0	$500	$500	$0	$500	$500	$0	$0	$0	$500
Total Prob.Disb 1804 obligated:	1,000	$500	$1,500	$400	$500	$900	$600	$0	$600	$500
FY94-94/16118ZNN00040AB06834	2,000	$0	$2,000	$1,000	$0	$1,000	$1,000	$0	$1,000	$4,000
FY86-96/16118ZUU00040AB06834	0	$1,000	$1,000	$0	$0	$0	$0	$1,000	$1,000	$0
Total Prob.Disb 1611 obligated:	2,000	$1,000	$3,000	$1,000	$0	$1,000	$1,000	$1,000	$2,000	$4,000
Total All Appn. obligated:	3,000	$1,500	$4,500	$1,400	$500	$1,900	$1,600	$1,000	$2,600	$4,500

Beg-End FY/Appn.Sym/ Subhd/ BCN/ SA/ AAA	Total Obligations Recorded by Claimant (11)	Total Unobligated Balance Remaining (12)	Total Outstanding Unobligated Problem Disb (13)
FY94-94/18048ZNN00040AA06834	$400	$0	$200
FY95-95/18048ZUU00040AA06834	$0	$500	$0
Total Prob.Disb 1804 obligated:	$400	$500	$200
FY94-94/16118ZNN00040AB06834	$1,000	$3,000	$0
FY86-96/16118ZUU00040AB06834	$0	$0	$1,000
Total Prob.Disb 1611 obligated:	$1,000	$3,000	$1,000
Total All Appn. obligated:	$1,400	$3,500	$1,200

Request For Waiver From Requirer › Obligate Problem Disbursements

Date: Organization: Page __ of __

FY/Appropriation:

Cumulative Amount Required To Be Obligated For Problem Disbursements:

Amount Of Waiver Request (Amount From Above Which Cannot Be Covered):

Actions Taken Prior To Waiver Request (i.e. Deobligation):

Programs Affected If Waiver Request Is Not Granted:

Program Title	Subhead	Program Value	Unobligated Balance	Amount To Be Reprogrammed	Amount Of Waiver Request	Impact

Attachment E

positions 12 through 14 will be the three characters of the appropriation symbol, e.g., 0100 = 100, 0300 = 300, 0400 = 400, etc.; the leading zero will be dropped. In this case, the 15th position will be the program code (1 position alpha/numeric code) used in the DOD account subhead that identifies the OSD program/program manager.

Document Number Formats:

N _ _ _ _ _ 97 MD U _ _ _ _ (Obligations for UMDs)
N _ _ _ _ _ 97 MD N _ _ _ _ (Obligations for NULOs)
N _ _ _ _ _ 97 MD T _ _ _ _ (Obligations for In-transit Disbursements)

Examples:

NULO for NAVAIR APN FY97 - **N 0 0 0 1 9 9 7 M D N 1 5 0 6**
UMD for NAVSEA O&M,DW FY97 - **N 0 0 0 2 4 9 7 M D U 1 0 0 A**

2. **STARS-FL**

a. **Subhead.** For STARS-FL, accounts with legal statutory subdivisions, and Defense-wide accounts (Treasury Index 97) the subheads used to record administrative obligations for overaged problem disbursements will be the normal subhead used for the mission of the command or the program line item, whichever is applicable. The problem disbursement obligations will be identified through the unique document number as detailed in the following paragraph.

b. **Document and Job Order Numbers**. The only problem disbursements resident in STARS-FL are UMDs. When a standard document number exists for a UMD in STARS-FL, use that document number in conjunction with the special job order number (JON) presented in this paragraph, to record the obligation for the UMD. In cases where the document number on the UMD is a NODOC or is zero filled, a miscellaneous designator within the document number, 66666, will be used in conjunction with the special JON to obligate the UMD in STARS-FL. The special JON will also contain the miscellaneous designator 66666. The formats for the document number (in the case of a NODOC or zero-filled document number) and the special JON follow: