

SPAWARINST 7301.1A
SPAWAR 01-43
9 Oct 02

SPAWAR INSTRUCTION 7301.1A

From: Commander, Space and Naval Warfare Systems Command

Subj: TRI-ANNUAL REVIEWS OF COMMITMENTS AND OBLIGATIONS

Ref: (a) DoD Financial Management Regulation, DoD 7000-14R,
Volume 3 Chapter 8
(b) ASN (FM&C) memo of 16 Jul 01, Guidance for
Tri-Annual Reviews of Commitments and Obligations
(c) DoD Financial Management Regulation, DoD 7000-14R,
Volume 3 Chapter 1502

Encl: (1) Claimancy Confirmation Statement
(2) Fund Holder Confirmation Statement
(3) Major Claimant Tri-Annual Review Report

1. Purpose. To revise SPAWAR requirements and policy for periodic reviews of commitments and obligations. This instruction implements policy delineated in references (a) through (c).

2. Scope. The provisions of this instruction apply to SPAWAR Headquarters (HQ) and SPAWAR Field Activities.

3. Background and General Information

a. References (a) through (c) provide specific provisions for conducting and reporting tri-annual reviews of commitments and obligations, requiring that fund holders ensure the accuracy, timeliness and completeness of financial records three times each fiscal year. Review requirements apply to all direct appropriations including reimbursable transactions, revolving funds and trust funds

b. These reviews not only ensure accurate and timely official accounting records, they are a critical factor in the Navy's efforts to eliminate problem disbursements, reduce the potential for violations of the Antideficiency Act, and potentially result in higher obligation and expenditure rates. SPAWAR programs will benefit from timely deletion of invalid commitments, making funding available for other uses.

9 Oct 02

4. Policy

a. Reviews shall be completed not later than 10 working days at the end of each 4-month period ending on 31 January, 31 May, and 30 September of each year.

b. Established procedures must ensure that all valid commitments and obligations, and when applicable, all accrued expenditures and reimbursements recorded in the official accounting system are substantiated by electronic or hard copy source documents. Additionally, confirm that all transactions not substantiated or validated by the fund holders are canceled and reflected in the accounting records.

c. When applicable, confirm that all dormant commitments, obligations, accrued expenditures, and earned receivables are valid and recorded properly. Minimal review requirements include the following dollar thresholds and timeline criteria:

(1) \$200,000 or more apply to *Investment Appropriations* (OPN-1810, OPN, D-0300, WPN-1507, RDT&E-1319, RDT&E,D-0400), Investment portion of the Foreign Military Sales Trust Fund (FMS-8242), Military Construction, and the Capital budget of the Defense Working Capital Funds (WCF-4930).

(2) \$50,000 or more apply to *Operating Appropriations* (O&M, N-1804, O&M,NR-1806, O&M,D-0100, ERF,D-0833), operating portion of FMS-8242, operating portion of WCF-4930, and other appropriations as appropriate.

(3) All dormant commitments and obligations including those related to problem disbursements, accrued expenditures, and earned receivables over 120 days old are to be reviewed to determine validity and identification of excess funds. Miscellaneous Type Obligations, such as Travel Orders and Supply Requisitions, that are recorded in the accounting system for more than 180 days, should be validated by supporting documentation or deobligated.

(4) ANNUAL review requirements mandate that ALL commitments and obligations be reviewed, regardless of dollar value and age, at least once a year to substantiate year-end certification requirements. The responsibilities described in paragraph 5 apply to the review of lower valued unliquidated

obligations as well. While all outstanding commitments and obligations with values below the above thresholds will be scheduled for review throughout the fiscal year, practical methodologies will be applied for determining scope and rationale used for each review type.

d. SPAWAR HQ and SPAWAR Field Activity Comptrollers are to provide confirmation that the necessary reviews were conducted, report related summary appropriation data, identify problems, and remedial corrective actions taken and actions to be taken. Prescribed formats are provided in enclosures (1) through (3). SPAWAR HQ Comptroller shall submit claimancy confirmation statement to the Office of the Assistant Secretary of the Navy (Financial Management and Comptroller) {ASN(FM&C)} within 21 days after the end of each review period.

5. Roles and Responsibilities

a. SPAWAR Comptrollers

(1) SPAWAR Comptrollers will initiate required reviews by providing responsible fund holders with sufficient appropriation review data. Upon receipt of fund holder responses, SPAWAR Comptrollers shall perform the necessary analysis and record appropriate transactions in the official accounting systems within 10 working days of identification by review personnel.

(2) SPAWAR Comptrollers will take appropriate action to ensure that review data representing dormant accrued expenditures and earned receivables over 120 days old is made available to reviewing fund holders for their review action.

(3) SPAWAR Comptrollers are responsible for evaluating the effectiveness of responsible fund holder efforts in reviewing for valid requirements and recovering idle funds, and may initiate additional action in program areas where no action or minimal action has been taken.

(4) SPAWAR Comptrollers are responsible for consolidating appropriation review data for their respective organization and for submitting a formal confirmation statement and related report summarizing by appropriation categories to SPAWAR HQ as required by references (b) and (c). SPAWAR HQ Comptroller is responsible for consolidating claimancy appropriation review data and for submitting the

SPAWARINST 7301.1A
9 Oct 02

formal claimancy confirmation statement to ASN(FM&C), attesting to the accomplishment of each tri-annual review and the accuracy and completeness of recorded amounts.

b. SPAWAR Fund Holders

(1) SPAWAR Fund Holders are responsible for confirmation of existing requirements because they initiate actions that result in commitments and obligations and are in the best position to determine the accuracy and the status of such transactions.

(2) SPAWAR Fund Holders shall review dormant commitments to determine if the requirement is still valid, if the amount of the commitment is accurate, and whether the commitment has been converted to an obligation and should be recorded as an obligation in the official accounting system. Fund Holders shall take the necessary action to recoup excess commitment funds.

(3) SPAWAR Fund Holders shall determine if the recorded obligation amount is accurate, the unliquidated amount is valid, and whether goods or services have been received for which a disbursement has not been recorded. If it is determined that a disbursement transaction was made, but is not recorded in the official accounting system, the review listing shall be annotated and documented evidence provided to the SPAWAR Comptroller for follow up with the paying office. The review listings should be annotated with any other information that provides the status of the unliquidated obligation as well.

(4) SPAWAR Fund Holders will ensure that prescribed review results are appropriately reported to their respective SPAWAR Comptroller within the designated timeframes. Review results shall include confirmation of valid commitments or obligations and identification of related excess funding. Fund Holders shall take appropriate action for recouping excess funds, resulting in decommitment or deobligation transactions.

(5) When the SPAWAR Fund Holder has a copy of an obligating document for an outstanding commitment, they shall provide a copy to their SPAWAR Comptroller for posting into the official accounting system. Fund Holders shall also annotate review listings with any other pertinent information

that supports either cancellation or continued maintenance of the official record.

6. Commitments Reviewed Upon Appropriation Expiration

a. Reference (c) requires that outstanding commitments be canceled as of the end of the period that the appropriation is available for obligation. No commitments are to remain in expired appropriation accounts. However, reference (a) provides that amounts to cover contingent liabilities should be carried as outstanding commitments pending determination of actual contractual obligations. Refer to paragraph 0802 of reference (a) for definitions and provisions for contingent liabilities.

b. Upon expiration of an appropriation, SPAWAR Comptrollers will request validation of all outstanding commitments from designated receiving activities and fund holders within the first quarter of the fiscal year after expiration. Review personnel will provide resulting obligation documents that should have been recorded in the official accounting system to the appropriate SPAWAR Comptroller for posting purposes or report commitments as available for recoupment and cancellation from official accounting records.

7. Documentation

a. All required decommitments, deobligations, adjustments, or corrections identified during reviews, should be documented and related transactions recorded in the official accounting system within 10 working days of identification by review personnel.

b. Deobligations may result from a contract modification, determination of Final Contract Closure Statement or Letter, Final NAVCOMPT 2193 Report on Reimbursables, documented adjustments or corrections, or cancellation of an order. No action, however, shall be taken to modify, cancel, or amend a contract or travel order below any amount that is due and owing a contractor, vendor, or traveler.

c. Decommitments may result from rejection of funding documents, cancellation of orders, amendment to recapture funds or a copy of the last amendment of a funding document

SPAWARINST 7301.1A
9 Oct 02

with annotated amount to recoup and signed by authorized Comptroller personnel of the receiving activity.

8. Retention of Supporting Documentation. SPAWAR Fund Holders and Comptrollers are required to maintain, for a period of 24 months following the completion of the review, documentation that is sufficient to permit independent organizations to verify that the reviews were accomplished as required.

9. Action. All SPAWAR HQ and SPAWAR Field Activity personnel involved with SPAWAR commitment and obligation reviews shall comply with the policy in this instruction. The SPAWAR Inspector General or the SPAWAR Field Command Evaluation and Review Staffs, as appropriate, may review compliance with this instruction periodically.

/s/
K. D. SLAGHT

Distribution:
SPAWAR List 4
SNDL Part II (3 copies each)
FKA1B1 (SPAWAR SYSTEMS CENTER, FACILITY AND ACTIVITY)

**COMSPAWARSYSCOM CLAIMANCY COMPTROLLER
CONFIRMATION STATEMENT**

COMSPAWARSYSCOM certifies that all of our activity fund holders have performed a complete and accurate review of obligations and commitments as prescribed in the DOD FMR Volume 3, Chapter 8.

Corrective actions have been taken for erroneous entries that do not meet commitment/obligation criteria.

S. C. DUNN, Deputy Comptroller

Date

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FUND HOLDER CONFIRMATION STATEMENT

(Insert Command/Activity) certifies that a complete and accurate review has been performed in accordance with the checklist below. Appropriate corrective actions for erroneous entries that do not meet commitment/obligation criteria have been taken.

Print Name & Title Signature Date

CRITERIA CHECKLIST FOR CONFIRMATION STATEMENT

Complied With	Number	Criteria
<input type="checkbox"/>	1	Confirm that all commitments recorded in the system have been validated to a paper or an Electronic Data Interchange (EDI) representation source document.
<input type="checkbox"/>	2	Confirm that all obligations recorded in the system have been validated to a hardcopy or an EDI source document.
<input type="checkbox"/>	3	Confirm that all accrued expenditures unpaid have been validated to an accounts payable record or an EDI source document.
<input type="checkbox"/>	4	Confirm that all reimbursements and other income earned have been validated to an accounts receivable record or an EDI source document.
<input type="checkbox"/>	5	Confirm that adequate follow up was conducted on all dormant commitments over 120 days old to determine if the requirement is still valid, or if an obligation document has been issued but not received or properly recorded.
<input type="checkbox"/>	6	Confirm that adequate follow up has been conducted on all dormant obligations over 120 days old to determine if the obligation is still valid.
<input type="checkbox"/>	7	Confirm that adequate follow up was conducted on all dormant accrued expenditures and earned receivables over 120 days old to determine if a disbursement or collection requires recording or matching.
<input type="checkbox"/>	8	Confirm that all miscellaneous obligation documents, travel orders, and supply requisitions recorded in the system for more than 180 days have been deobligated, unless there is supporting documentation from the fund holder attesting to the purpose and validity of the obligation.
<input type="checkbox"/>	9	Confirm that all commitments that could not be substantiated or validated after a thorough review by the fund holder have been decommitted.
<input type="checkbox"/>	10	Confirm that all obligations that could not be substantiated or validated after a thorough review by the fund holder (and/or the accounting office) have been deobligated.
<input type="checkbox"/>	11	Confirm that reviews of dormant obligations include reviews of problem disbursements and in-transit disbursements.

9 Oct 02

<input type="checkbox"/>	12	Identify problems noted as a result of the review.
<input type="checkbox"/>	13	Advise whether, and to the extent which, adjustments or corrections to remedy noted problems have been taken.
<input type="checkbox"/>	14	Summarize, by type, the actions or corrections remaining to be taken, and when such actions/corrections are expected to be completed.
<input type="checkbox"/>	15	Identify what actions have been taken to preclude identified problems from recurring in the future.
<input type="checkbox"/>	16	Forward confirmation statements to your major command. Similarly, in the case of the major commands, confirmation statements shall be consolidated and sent to the Assistant Secretary (Financial Management and Comptroller) by the due date established.

Point of Contact: _____ Telephone: () _____ DSN:() _____ E-mail: _____ Fax Number: () _____

Major Claimant Tri-Annual Report Review

SPAWAR UIC: Period Ending: MM/DD/YYYY	No. of Documents Reviewed	Amount of Commitments Reviewed	Amount of Commitments Confirmed	Amount of Commitments Reversed	Amount of Obligations Reviewed		Amount of Obligations Confirmed		Excess Obligations	
					Gross Obligations Less ULO	Unliquidated Obligations (ULO)	Gross Obligations Less ULO	Unliquidated Obligations (ULO)	Amd/Mod in Process	Deobligated
Appropriations										
(include all the current year plus years expired for obligation)										
For Example:										
1804										
FY 2001										
FY 2000										
FY 1999										
FY 1998										
FY 1997										
FY 1996										
Appropriation Sub-Totals										
Reimbursables										
Reimbursable Sub-total										
Working Captial Funds (WCF)										
WCF Sub-total										
Trust Funds (FMS)										
Trust Funds Sub-total										