

CHAPTER 11

UNMATCHED DISBURSEMENTS,
NEGATIVE UNLIQUIDATED OBLIGATIONS, IN-TRANSIT DISBURSEMENTS,
AND SUSPENSE ACCOUNTS

1101 GENERAL

★ 110101. Purpose. This chapter prescribes the accounting standards and related management requirements necessary to establish and maintain financial control over disbursement, collection and adjustment transactions affecting the fund balances with the Treasury Department and cash resources not part of the fund balance with the Treasury Department. The applicable general ledger accounts are included in the U.S. Government Standard General Ledger, which is described in Volume 1, Chapter 7, of this Regulation. This chapter also prescribes the requirements for researching and correcting unmatched disbursements (UMDs), negative unliquidated obligations (NULOs), in-transit disbursements and disbursements in suspense accounts.

1102 DEFINITIONS

110201. Chargeable Account. The appropriation (department code, fiscal year and appropriation symbol) contained in the line of accounting cited on the obligation document that is the basis for a particular payment.

★ 110202. Closed Account. An appropriation that has been, or should be, closed in accordance with the provisions of Public Law 101-510 (31 United States Code (U.S.C.) 1551-1557). This term also applies to an appropriation that otherwise would have been closed in accordance with the provisions of Public Law 101-510, but has not been closed by the Treasury Department because the appropriation has a negative balance.

110203. Currently Available Appropriation. An appropriation or fund against which new obligations may be incurred and recorded (as contrasted with an expired or closed appropriation against which new obligations may not be incurred).

★ 110204. Disbursement. For purposes of matching a disbursement to its proper obligation, the term disbursement as used in this chapter refers to the amount charged to a separate line of accounting. While a single payment may be charged to multiple lines of accounting, for purposes of matching a disbursement to its proper obligation as addressed in this chapter, each amount charged to a separate line of accounting is treated as a separate disbursement and must be matched to its corresponding obligation. The term disbursement is defined in Volume 1, “Definitions,” of this Regulation as follows: “The amount of checks issued, cash payments made, and “no check issued” disbursement transactions (charges to an appropriation or fund account that initially were charged to another appropriation or fund account with reimbursement effected without a check issuance) processed that were reported to the Treasury during the reporting period, including amounts reported on Department of Defense (DD) Form 1400, “Statement of Interfund Transactions,” and “Statement of Intra-Governmental

Transactions.” It includes amounts of mortgages assumed, but does not include amounts of principal payments. The amount reported is net of refunds collected and reported to the Treasury Department and does not include nonexpenditure transactions such as appropriation transfers or investments in U.S. Government securities.” Disbursing policy and procedures are addressed in Volume 5, “Disbursing Policy and Procedures,” of this Regulation. Procedures in this chapter are intended to better ensure that a disbursement is matched to its applicable corresponding obligation in a timely manner.

110205. Disbursement in Suspense Account. A disbursement transaction that (1) has been reported to the Treasury Department, (2) has not been identified to a specific fund holder or (3) is placed in a suspense account while research efforts are underway.

110206. Disbursement Not Sent. A disbursement transaction that has been reported to the Treasury Department by a disbursing office, but has not yet been transmitted to the accounting office.

110207. Expired Appropriation. An appropriation or fund that is not available for new obligation, but is available for disbursements, collections, and obligation adjustments as it has not yet been closed.

110208. Fund Holder. An individual holding an administrative subdivision of funds or an operating target, who is responsible for incurring obligations against the administrative subdivision or target and for managing the use of such funds.

110209. Funding Account. The appropriation (department code, fiscal year and appropriation symbol) contained in the line of accounting cited on the obligation document provided to fund a disbursement that otherwise would have been chargeable to a closed appropriation.

110210. In-transit Disbursement. Disbursements that have been reported by a disbursing office, through a paying center, to the Treasury Department and charged against the Department’s fund balances, but have not yet been received or processed by the applicable accounting office for recordation against the applicable corresponding obligation. This includes interservice, intraservice and interfund disbursement transactions. This definition includes disbursements originating outside the DoD.

110211. Negative Unobligated Balance. An appropriation or fund in which the amount of obligations exceeds the amount of obligational authority. (In closed appropriations, the available obligational authority is equal to the unobligated balance.)

110212. Negative Unliquidated Obligation. A disbursement transaction that has been matched to the cited detail obligation, but the total disbursement(s) exceeds the amount of that obligation.

★ 110213. Obligation. For purposes of matching a disbursement to its proper obligation, as addressed in this chapter, the term obligation refers to each separate obligation amount identified by a separate line of accounting. While a single order may be funded by multiple lines of accounting, for purposes of matching a disbursement to its proper obligation, as addressed in this chapter, each line of accounting represents a separate obligation amount to which the resulting disbursement must be matched. The term obligation is defined in Volume 1, “Definitions,” of this Regulation as follows: “Amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same, or a future, period. Such amounts include payments for which obligations previously have not been recorded, and adjustments for differences between obligations previously recorded and actual payments to liquidate those obligations. The amount of obligations incurred is segregated into undelivered orders and accrued expenditures paid or unpaid.” No amount shall be incurred as an obligation by any DoD Component except in accordance with Chapter 8 of this volume.

★ 110214. Overaged Disbursement (Unmatched, Negative Unliquidated, In-Transit or Suspense). A disbursement that is not matched to a corresponding obligation within the timeframes specified in sections 1105, 1114 or 1115 of this chapter.

★ 110215. Prevalidation. Prevalidation is a procedure that requires a proposed payment be identified/matched to its applicable proper supporting obligation that has been recorded in the official accounting system and that the line(s) of accounting cited on the payment match the data recorded in the accounting system. Prevalidation procedures help to better ensure that contracts are not overpaid.

★ 110216. Undistributed Disbursement. Undistributed disbursements represent the difference between the amount of disbursements reported to the Defense Finance and Accounting Service (DFAS) centers by the Department of the Treasury finance network and the amount of disbursements recorded by the operating level activities.

110217. Unexpended Balance. The sum of the unobligated balance and the unliquidated obligation balance of an appropriation.

110218. Unliquidated Obligation Balance. The amount of obligations that have not been liquidated by payments (disbursements).

110219. Unmatched Disbursement. A disbursement transaction that has been received and accepted by an accounting office, but has not been matched to the correct detail obligation. This includes transactions that have been rejected back to the paying office or central disbursement clearing organization by an accounting office.

★ 110220. Unobligated Balance. The difference between the total appropriation availability and the total obligations.

★1103 DISBURSEMENT POSTING POLICY

110301. It is DoD policy that a disbursement be matched to its corresponding, detail-level obligation and be recorded as promptly as current systems and business practices reasonably permit. The vast majority of obligations and disbursements are matched automatically--via the Department's various system interfaces. However, some obligations and disbursements are required to be manually matched, mainly due to nonautomated processes or the rejection of transactions by automated systems. When a disbursement is recorded in the accounting system but not matched to an obligation, the disbursement shall be recorded as a UMD. When a disbursement is recorded in the accounting system and is matched to an obligation, but the amount of the disbursement exceeds the amount on the recorded obligation, the amount of the disbursement in excess of the applicable obligation shall be recorded as a NULO.

A. Milestones for Obligating Disbursements

1. Obligations for any unresolved UMDs and NULOs in appropriations closed on or before September 30, 1999, if not already recorded, shall be recorded immediately in accordance with procedures in Chapter 10, "Accounting Requirements for Expired and Closed Accounts," of this volume.

2. Obligations for UMDs and NULOs paid on or prior to September 30, 2000, shall be established and recorded no later than 180 calendar days after the UMD or NULO was recorded.

3. Obligations for UMDs and NULOs paid on or after October 1, 2000, must be established and recorded in accordance with section 1105. Corrections citing closed appropriations also shall be processed and obligated within the timeframes specified in section 1105 or no later than September 30 of the fiscal year the need for the correction is identified, whichever is earlier.

4. Notwithstanding the applicability of the requirements in paragraphs 1 through 3, above, obligations must be established and recorded for all UMDs and NULOs no later than the earlier of the timeframes established in paragraphs 1 through 3, above, or September 30 of the year that the cited appropriation is scheduled to be closed--regardless of the date that the disbursement was made.

B. Requirement to Research UMDs and NULOs. Research and correction actions shall begin as soon as it is apparent that a disbursement transaction has resulted in a UMD or a NULO. The accounting office involved immediately shall determine whether the disbursement is a valid charge to the fund holder, and whether a matching obligation transaction is recorded under a different or incorrect document number. If the disbursement is not a valid charge to the fund holder, the accounting office shall reject the disbursement in accordance with paragraphs 111404.C.3 or 111405.D.3 of this chapter. If a matching obligation is recorded under a different or incorrect document number, the fund holder immediately shall effect a correction

from the incorrect document number to the correct document number, thus allowing for the proper matching of the disbursement to its corresponding, detail-level obligation. If an accounting adjustment affects a contract payment, contract reconciliation will be performed in accordance with Volume 10, Chapter 20 of this Regulation. Other research requirements are specified in section 1107 of this chapter.

1. Timeframes for resolving UMDs and NULOs are delineated in section 110501; these timeframes are different for “collocated” disbursements and “noncollocated” disbursements. All UMDs and NULOs result from the following two basic processes:

a. Collocated Disbursement. A “collocated” disbursement is created when the accounting office responsible for recording the disbursement in the accounting system and the disbursing/entitlement office responsible for certifying the disbursement are collocated.

b. Noncollocated Disbursement. A “noncollocated” disbursement is created when the accounting office responsible for recording the disbursement in the accounting system and the disbursing/entitlement office making the disbursement are not collocated.

2. Research procedures for resolving UMDs and NULOs are delineated in section 1107.

C. Requirement to Record an Obligation for Unresolved UMDs and NULOs. An appropriation manager and/or fund holder shall be immediately notified of applicable UMDs or NULOs. In the event that research efforts fail to result in the correction and elimination of the condition, the appropriation manager or fund holder shall be advised of the requirement to establish a matching obligation within the timeframes delineated in subsection 110501. If the appropriation manager or fund holder fails to record an obligation, the accounting office shall record an obligation for unresolved UMDs and NULOs in accordance with paragraphs 110501.A.3., 110501B.4., or 110501.C.4. of this chapter, as applicable.

D. Requirement to Establish Obligations for UMDs and NULOs at the Transaction Level. Disbursements shall be matched to their corresponding obligation at the detail transaction level. Obligations recorded for UMDs and NULOs in accordance with section 1105 of this chapter, i.e., after due research, shall be recorded at the detail transaction level as follows:

1. An obligation in the amount of the disbursement shall be recorded at the transaction level for UMDs.

2. An obligation adjustment in the amount of the disbursement in excess of the applicable obligation shall be recorded at the transaction level for NULOs.

1104 TREATMENT OF OVERAGED UNMATCHED DISBURSEMENTS AND NEGATIVE UNLIQUIDATED OBLIGATIONS★ 110401. Current and Expired Accounts

A. Unobligated overaged NULOs and UMDs have the first claim to the unobligated balances in any of these accounts. New obligations, or new upward obligation adjustments, may be executed only when, and to the extent that there is an unobligated balance remaining in an account after all overaged NULOs and UMDs have been obligated. Thus, no new obligations or obligation adjustments may be incurred in the account to the extent that unobligated balances in such accounts are zero, or overaged NULOs and UMDs--if they are obligated--when added to obligated balances, would exceed the availability in such accounts.

B. Except as provided for in paragraphs 110401.C. through E., below, DoD Components may continue to research overaged NULOs and UMDs without the need to initiate an investigation of a potential violation of the Antideficiency Act.

C. Should an account be obligated fully--but not overobligated--and have unresolved overaged NULOs and UMDs that, if obligated, would exceed the availability in an account, payments to vendors and others may continue, provided that the account is not in danger of being overdisbursed. However, in no case may disbursements exceed the unexpended balance of an account. Should the account become overdisbursed, payments from the account shall stop immediately, and the DoD Component involved shall report a potential violation of the Antideficiency Act. The DoD Component also shall initiate an investigation of the potential violation in accordance with Volume 14 of this Regulation.

D. Should a new obligation or obligation adjustment be incurred in an account that has been obligated fully as a result of unresolved, overaged UMDs or NULOs, such an obligation shall be recorded even though it will result in recorded obligations in excess of available resources. Additionally, the DoD Component involved shall report a potential violation of the Antideficiency Act and initiate an investigation of a potential violation in accordance with Volume 14 of this Regulation.

E. No guidance in this chapter should be construed as authorizing a delay in (1) the recording of an executed obligation that would result in an overobligation or (2) the requirement to conduct an investigation of a potential violation of the Antideficiency Act that results from any action other than the sole requirement to obligate amounts for UMDs and NULOs.

110402. Closed Accounts and Accounts Scheduled to Close at the End of the Current Fiscal Year

★ A. Obligations must be established by September 30 for all UMDs, NULOs and in-transit transactions in appropriations scheduled to close (become canceled) at the end of the current fiscal year.

B. If such obligations result in obligations in excess of available funds, the DoD Components are permitted 6 months from the scheduled date of closure of the account to resolve the negative balance.

C. If the account is not returned to a positive balance within 6 months of the scheduled date of closure of the appropriation, the DoD Component involved shall report a potential violation of the Antideficiency Act and initiate an investigation in accordance with Volume 14 of this Regulation.

D. Each administrative subdivision of an appropriation carries with it the responsibility for any potential or actual violation of the Antideficiency Act that might be incurred. A DoD Component has the right to modify the number or level of administrative subdivisions within an appropriation before the closure of an appropriation. However, once an appropriation closes, no further modification or change may be made in the number or level of administrative subdivisions.

E. A new cash disbursement, which would be chargeable (both as to purpose and amount) to an appropriation except that the appropriation is closed, must be paid from an appropriation that currently is available for the same purpose. However, a proposed payment may not exceed the:

1. Unexpended balance of the closed appropriation.
2. Unobligated balance of the currently available appropriation charged.
3. One percent limitation, discussed in paragraph 110402.F.

F. The cumulative amount of payments charged to a currently available appropriation, because the original appropriation(s) that otherwise would have been charged has been closed, may not exceed 1 percent of the total amount appropriated to the currently available appropriation being charged.

G. A payment shall not be made if it exceeds the amounts stipulated in either paragraphs 110402.E.1. or 110402.E.2., above. Instead, the office funding the proposed payment (contract) shall contact the Military Department Assistant Secretary for Financial Management and Comptroller or Defense Agency Comptroller for referral to the USD(C) for appropriate disposition.

H. Corrections of payments involving closed appropriations shall be processed as inter- and intra-appropriation adjustments. Such corrections generally do not require the obligation of currently available funds or deposits to the miscellaneous receipts account if the payment occurred before the closure of the applicable appropriation, or appropriations available for new obligation already have been charged properly.

I. Inter- and intra-appropriation adjustments to correct accounting records shall not be accomplished by using a cash disbursement or cash collection.

J. A potential violation of the Antideficiency Act shall be reported and a preliminary review of an Antideficiency Act violation initiated if posting an adjustment to a current, expired or closed appropriation would result in either (1) a negative unobligated balance or (2) disbursements that are in excess of the amount appropriated, at either the appropriation level or a portion thereof that has been subdivided for Antideficiency Act purposes.

K. Perpetual balances of unobligated amounts and unliquidated amounts, shall be maintained for each closed appropriation. Should the unobligated balance in a closed appropriation be negative, or should the unexpended balance be negative, then a potential violation of the Antideficiency Act would have occurred, and must be reported and investigated.

★ L. All disbursements or collections, or adjustments to disbursements and collections, involving current, expired, or closed appropriations, shall be reported to the Treasury. However, a correction in which both the debit and credit entry cite a closed appropriation shall not be reported to the Treasury.

110403. Expenditure Controls

The DoD Components shall work with the DFAS to implement effective controls to prevent overexpenditures in accounts that may be in an overobligated position or that have UMD or NULO balances that exceed the unobligated balance in the account. This action is necessary because normal controls for determining expenditure availability are based on the unexpended balance of the detail obligations.

★1105 RESPONSIBILITIES FOR FUNDING OVERAGED UNMATCHED DISBURSEMENTS AND NEGATIVE UNLIQUIDATED OBLIGATIONS

★ 110501. Accounting Offices, Both the DFAS and Other (Non-DFAS) Components

A. When an accounting office has an obligation document that corresponds to a disbursement that has resulted in a UMD or NULO, but the obligation document has not been recorded, or not recorded for, or adjusted to, the proper amount, the accounting office shall:

1. If the dollar amount is \$2,500 or less, immediately record the obligation and notify the fund holder of the action taken.

2. If the dollar amount exceeds \$2,500, immediately provide the fund holder with a copy of the obligating document or disbursing document in the case of a duplicate or overpayment and request that the fund holder record an obligation or obligation adjustment, within 10 calendar days of notice.

3. If the fund holder does not record the requested obligation, or

obligation adjustment, within 10 calendar days of notice, record the obligation, or obligation adjustment, within the subsequent 10 calendar days. The accounting office shall notify the fund holder of any action taken.

B. When an accounting office does not have an obligation document that corresponds to a “collocated” disbursement that has resulted in a UMD or NULO, the accounting office shall:

1. Immediately inform the fund holder of the UMD or NULO and also research the cause of the UMD or NULO. (The required supporting documentation should be readily available for “collocated” disbursements, since the entitlement and accounting functions are collocated.)

2. Conduct research as required by section 1107 and provide the fund holder the results of the research within 60 calendar days of the identification of the UMD or NULO. The Director or designee shall advise the fund holder of the type, extent, and results of the research performed. Supporting documentation accumulated in the performance of said research shall be retained and made available to the fund holder upon request.

3. Request that the fund holder record an obligation within 60 calendar days of notice (this request shall be documented). The 60 calendar days should provide the fund holder sufficient time to research commitment and obligation files, evaluate the research documents provided by the accounting office, and/or request additional funding as required. Upon completion of the fund holder’s research, the fund holder shall either initiate the obligation input into the accounting system or provide the obligating document to the accounting office for recordation.

4. If the fund holder does not record the requested obligation or obligation adjustment within 60 calendar days of notice, or does not provide documentation to the accounting office to support the recording of an obligation or obligation adjustment by the accounting office, the accounting office shall, within the subsequent 10 calendar days, record an obligation or obligation adjustment using the disbursement document as supporting documentation. (At the time of disbursement, the supporting documentation requirements delineated in Chapter 9, “Supporting Documents to Payment Vouchers,” Volume 10, and the payment certification procedures delineated in Chapter 11, “Disbursements,” Volume 5 of this Regulation, ensured the validity of a disbursement. Consequently, the disbursement document shall be sufficient to support the appropriateness of recording a matching obligation.)

C. When an accounting office does not have an obligation document that corresponds to a “noncollocated” disbursement that has resulted in a UMD or NULO, the accounting office shall:

1. Immediately inform the fund holder of the UMD or NULO and also research the cause of the UMD or NULO. (The required supporting documentation may not be readily available for “noncollocated” disbursements, since the entitlement and accounting

functions are most likely not collocated.)

2. Conduct research as required in section 1107 (for example, the accounting office shall contact the disbursing office and request supporting documentation, or check for contracts via electronic data access) and provide the fund holder with the results of the research within 120 calendar days of the identification of the UMD or NULO. The Director or designee shall advise the fund holder of the type, extent, and results of the research performed. Supporting documentation accumulated in the performance of said research shall be retained and made available to the fund holder upon request.

3. Request that the fund holder record an obligation within 60 calendar days of notice (this request shall be documented). The 60 calendar days should provide the fund holder sufficient time to research commitment and obligation files, evaluate the research documents provided by the accounting office, and/or request additional funding as required. Upon completion of the fund holder's research, the fund holder shall either initiate the obligation input into the accounting system or provide the obligating document to the accounting office for recordation.

4. If the fund holder does not record the requested obligation or obligation adjustment within 60 calendar days of notice or does not provide documentation to the accounting office to support the recording of an obligation or obligation adjustment by the accounting office, the accounting office shall, within the 10 calendar subsequent days, record an obligation or obligation adjustment using the disbursement document as supporting documentation.

D. Within five work days of recording an obligation or obligation adjustment in accordance with the provisions of paragraphs A, B, or C, above, the accounting office shall provide the fund holder with a record of all obligations or obligation adjustments recorded by the accounting office on its behalf; this record shall be documented (systemically or manually) and shall identify the input date, amount of the obligation, and the identification of the individual recording the obligation.

E. Obligation and obligation adjustment transactions shall be recorded at the detail document/transaction level to ensure the proper matching of obligation and disbursement transactions and to properly affect unobligated balances.

F. If a determination is made, upon research by the accounting office or a fund holder, that a charge is not a valid charge to the fund holder, the accounting office shall, within five work days, (1) reverse the charge made against the fund holder's account, and (2) if necessary, transfer accountability for the charge in accordance with contract reconciliation procedures delineated in Chapter 20, Volume 10 of this Regulation.

G. When the accounting office records a valid obligation or obligation adjustment that was not previously recorded and that action indicates a potential Antideficiency Act violation, the DoD Component immediately shall be notified and the DoD Component shall

conduct a preliminary review of the potential violation in accordance with Chapter 3, Volume 14 of this Regulation.

H. When there is an indication of a potential duplicate payment or overpayment, the accounting office promptly shall review all applicable payment files. If there is a duplicate payment or overpayment, the accounting office shall record a refund receivable and initiate a recovery of funds action. Additionally, the accounting office shall record a NULO, as applicable; and advise the fund holder that the NULO requires obligation within the timeframes specified in paragraph A, above.

I. In accordance with Chapter 8, subsection 081208, of this volume, disbursement documents that support obligations that have not been recorded previously shall be recorded at the “expended authority-paid” stage of accounting with a corresponding decrease in the uncommitted/unobligated balance of the affected allotment.

J. In accounting for closed appropriations, accounting offices shall:

1. Maintain the official accounting records for all corrections to the balances of closed appropriations and funds.

2. Establish appropriate controls over closed appropriations by, at a minimum, initiating the following actions:

a. Submit all corrections to closed appropriations to the applicable centralized accounting center. All corrections to closed appropriations shall be transmitted to the applicable accounting center for posting to the accounting center’s accounting records and/or approval to post to the accounting office’s accounting records. The accounting center’s accounting records shall support the accounting records of the accounting office responsible for the administrative control of the closed appropriation.

b. Develop and implement procedures to ensure that all transactions affecting closed appropriation unobligated and unliquidated balances are provided to the appropriate accounting center responsible for maintaining the unobligated and unliquidated obligation balances.

3. Adjust detailed records to reflect accounting corrections when detailed records are still being maintained for contract payment or other purposes. If an accounting adjustment affects a contract payment, contract reconciliation will be performed if required by and in accordance with Chapter 20, Volume 10 of this Regulation.

4. Record corrections for UMDs, NULOs, and in-transit disbursement transactions for which research actions have been completed and correcting accounting transactions have been identified and submitted by a DoD Component:

a. Except as provided for in subparagraph 110501.J.4.b, immediately below, record corrections received from DoD Components within five work days of receipt. (The recording of such corrections shall not be delayed pending the completion of contract reconciliation or other related actions.)

b. Reject a proposed correction if the proposed correction is in error. (A proposed correction may not be rejected solely because a contract has not been reconciled fully or other actions have not been completed.)

K. In accounting for closed appropriations, accounting centers shall:

1. Maintain the official Treasury records for all corrections to the balances of closed appropriations and funds.

2. Ensure that the beginning, expended unpaid balance of each closed appropriation accurately reflect the official Treasury balance of the appropriation on the date of closure.

3. Perform a one-time review of each closed appropriation to ensure that the beginning Accounts Payable (Expended Authority - Unpaid) balance of each closed appropriation accurately reflects the balances on the Standard Form (SF) 133 as of the date of closure.

4. Ensure that an adequate audit trail is maintained for all corrections affecting closed appropriations, including any offsetting associated corrections to current or expired appropriations.

★ 110502. Disbursing Offices

A. A disbursing officer (DO) shall ensure supporting documentation is provided to the accounting office or fund holder upon request. Such supporting documentation shall be provided no later than 30 calendar days after request. Supporting documentation may include a copy of the contract, payment voucher, receiving report, and vendor invoice. Such supporting information also may be obtained or provided via electronic data access. If supporting documentation is not provided within the above timeframe, the accounting office may chargeback the disbursement to the disbursing office in accordance with procedures cited in paragraph 111502.A.1 of this chapter.

B. A DO is responsible for recouping an overpayment in accordance with internal recovery procedures for refunds due from the public. Since the overpayment or a duplicate payment may have caused a UMD or NULO, the DO shall assist, as required, in the research of UMDs and NULOs.

★ 110503. The Office of the Deputy Comptroller (Program/Budget) (ODC(P/B)), Office of the Under Secretary of Defense (Comptroller) (OUSD(C)), shall ensure the following

actions are taken when (a) funds in a particular Defense-wide account are allocated to a number of fund holders (limits) and (b) disbursements exceed obligations at the appropriation level, but not at a fund holder's level:

A. The applicable DoD Component(s) reserves, commits, or obligates appropriate amounts against the fund holders' accounts.

B. A report of a potential Antideficiency Act violation is submitted to the USD(C), when applicable.

C. An investigation of a potential Antideficiency Act violation is initiated, when warranted, in accordance with Volume 14 of this Regulation.

D. Corrective actions are taken by the fund holder and the applicable accounting office, as appropriate. Corrections shall be adequately supported and shall identify the cause of the error.

★ 110504. The ODC(P/B), the Military Department Assistant Secretaries (Financial Management and Comptroller), Comptrollers of the Defense Agencies and DoD Field Activities and Other Fund Holders shall:

A. Designate an appropriation manager to receive, process and take actions on notifications from the DFAS or other accounting offices, and to take other appropriate action(s) regarding the stoppage of payments, the obligation of disbursement transactions within prescribed timeframes allotted for such action(s), and other actions provided for in this chapter.

B. Obligate funds within the timeframes specified in subsection 110501 after the receipt of an initial notification from the cognizant accounting office that a disbursement is unmatched or exceeds an obligation at the allotment/fund holder level. If sufficient unobligated balances are not available, an investigation of a potential Antideficiency Act violation shall be initiated, when warranted, in accordance with Volume 14 of this Regulation.

C. Forward to the cognizant accounting office, as appropriate, either an obligation document, or a funding document together with an obligation document, to cover the amount of the unmatched disbursement or the disbursement that exceeds the obligation within the timeframes specified in subsection 110501, upon notification from the cognizant accounting office that:

1. A disbursement exceeds an obligation at the obligation level, and
2. The condition has not been corrected.

D. Request a realignment of funds within an account or between accounts, a reprogramming of funds, a deficiency supplemental, or other acceptable funding solution, as applicable and appropriate, to the extent sufficient availability does not exist in the appropriation

(or other administrative subdivision of funds). Also forward supplemental funding documents to the cognizant accounting office to cover any funding shortfalls.

E. Initiate a review, immediately, of the circumstances to determine whether an investigation of a potential Antideficiency Act violation is warranted in accordance with Volume 14 of this Regulation and, as appropriate, notify the USD(C) of the following conditions:

1. A fund holder may not have sufficient unobligated balances available that equal, or exceed, the amount by which disbursements exceed obligations incurred;
2. A potential violation of the Antideficiency Act may have occurred;
3. A report of violation is warranted in accordance with Volume 14 of this Regulation--if the investigation reveals that an Antideficiency Act violation has occurred; and
4. The cognizant accounting office corrected any error(s) determined to be the cause of the condition upon review or investigation.

F. Develop and implement standard procedures for determining the timeframes and procedures for record retention applicable to detail accounting transaction records for closed appropriations. These procedures shall ensure that required balances of each appropriation are accurately maintained while minimizing the cost associated with maintaining large databases or record files of completed transactions for records which no longer are required.

★ 110505. The DoD Components. In addition to the responsibilities addressed in subsection 110504, the DoD Components shall maintain detail and summary records of adjustments made in accordance with this chapter to ensure an adequate audit trail and to respond to inquiries from organizations internal and external to the Department.

★ 110506. The DoD Fund Holders. In addition to the responsibilities addressed in subsection 110504, the DoD fund holders shall resolve UMDs and NULOs, upon notice, within the timeframes specified in subsection 110501. The fund holder shall:

A. Research each UMD and NULO to determine whether the disbursement cites a fund citation for which the fund holder is responsible, and if an obligation is, or is not, recorded.

1. If the fund holder determines that the disbursement should be charged to another fund holder, the fund holder shall inform the accounting office immediately.
2. If the disbursement is erroneous or contains an incorrect fund citation, the fund holder shall inform the accounting office immediately.

3. If an obligation is recorded in the accounting system, but against a different or incorrect document number, the fund holder shall correct the document number within five workdays and immediately advise the accounting office (thus allowing the accounting office to match the obligation transaction and the disbursement transaction).

4. If an obligation has not been recorded in the accounting system, the fund holder shall take the following steps:

a. Use such material as may be provided by the accounting office (in accordance with section 1107) or obtained by the fund holder to facilitate the research.

b. Obtain the required obligating document and record the obligation at the detail document level, thus allowing the accounting office to match the obligation transaction and the disbursement transaction.

c. Provide a copy of the obligating document to the accounting office if required by the accounting office for supporting documentation.

B. Deobligate any invalid and/or unsupported obligations. Footnote the reasons for such deobligations on the applicable journal voucher (JV) or open document listing supporting the deobligation action in accordance with section 0804, "Triannual Reviews of Commitments and Obligations," Chapter 8 of this volume.

C. Assist the DFAS in the reconciliation of commitment and obligation information between the pay/contract/vendor system and the accounting system.

★1106 PRIORITIES FOR RESEARCHING AND CORRECTING DISBURSEMENTS THAT HAVE NOT BEEN MATCHED TO THE PROPER OBLIGATIONS

The following priorities are established for researching and correcting all disbursement transactions that have not been properly matched to the correct obligation:

110601. First Priority. Appropriations or funds specifically requested by the OUSD(C).

110602. Second Priority. Appropriations or funds in an over-expended or overobligated status, regardless of whether the appropriation is in a current, expired or closed status, as well as other appropriations, funds or transactions that have caused, or are anticipated to cause, stop payment orders or create a negative balance "condition" within the next 60 days.

110603. Third Priority. All other appropriations and funds, whether in a current, expired, or closed status.

110604. Secondary Priorities. Within each priority group, appropriations or funds with the highest negative balance/amount of UMDs generally shall be researched ahead of

appropriations or funds with lower balances/amounts. Within each appropriation or fund, prioritize transactions and documents beginning with the highest dollar value and continue to work the transactions and documents within that appropriation.

A. Continue this priority until all applicable transactions in the appropriation or fund are researched and corrected and the account is restored to a positive balance, NULO balances are eliminated and/or UMDs are matched, as applicable.

B. Not all transactions in an account must be matched or resolved before beginning research efforts in another account.

110605. Posting Procedures. Necessary corrections to transactions and accounts should be made in accordance with sections 1109 through 1112, below.

1107 MINIMUM RESEARCH EFFORTS REQUIRED FOR ALL OVERAGED NEGATIVE UNLIQUIDATED OBLIGATIONS AND UNMATCHED DISBURSEMENTS

110701. General. The following research actions are the minimum steps required for all UMD and NULO transactions.

110702. Contracts

A. Accounting Office Actions

1. Select contract(s) for review based either on large individual UMD transaction or NULO condition and/or large aggregate total UMD transactions or NULO conditions.

2. Obtain the accounting system transaction history maintained in the accounting office and the payment transaction history from the disbursing office, or the output of obligation and payment differences from an accounting system/payment system comparison program if there are numerous unmatched disbursements showing incompatibility with the funds or amounts on the contract.

3. Review the output of a comparison program of the accounting and payment systems, when available. This can substitute for transaction histories from either system, and will reveal obligation modifications recorded in one system but not the other, as well as potentially omitted modifications.

4. Review obligation transactions recorded in the accounting system to determine that all contract modifications have been recorded.

5. Follow up with the contracting office and contract administration office to verify that all modifications have been recorded, and request that any contract

modification errors and omissions be corrected or recorded when a missing contract modification is suspected.

6. Determine indicated error condition of each unmatched disbursement (e.g., wrong appropriation or insufficient funds) to guide further research.

7. For a UMD, make a system inquiry, or request the accounting system closed contract history if there is no contract on the active accounting system records. If the contract is in the closed history file, take action to reopen the contract and record the transaction.

8. Review unmatched transactions for indications of specific error conditions. Such conditions include omitted progress payment recoupments for a contract having progress payments, inappropriate appropriation data configurations, or duplicate submission of payment data.

9. Report corrections made to transactions for accounting system recording, (e.g., changes to the appropriation data configuration) to the disbursing office for correction of its records.

10. Reject, back to the disbursing office for correction or recovery, those transactions that cannot be corrected, such as wrong accounting office or suspected overpayments. Take related required central reporting system actions.

11. Request selected voucher copies and supporting information when a centrally-administered contract is still open on the DFAS-Columbus Center's payment records and reconciliation cannot be accomplished between the accounting system transaction history and payment system transaction history.

B. Disbursing Office Actions

1. When a request for information on payment transactions is made by an accounting office, search the files for payment vouchers and, if available, provide a copy to the requesting office. If the payment records and files cannot be found due to age or apparent loss, respond as promptly as possible regarding these facts.

2. Review contract payment files promptly and verify whether the reported reject reason is correct when a disbursement transaction is rejected back from an accounting office with evidence that it was misrouted or is a duplicate or overpayment. If the rejection is valid, initiate a correction or recovery of funds for the duplicate or overpayment and respond as to the action taken.

110703. Reimbursable Orders/Military Interdepartmental Purchase Requests (MIPRs). The accounting office shall:

A. Check the UMD for error reason codes, such as insufficient funds or unmatched document number.

B. Refer the transaction for review to the ordering office or ordering command fund manager, as indicated by the obligation document number.

C. Record the transaction, when the ordering office or command validates the transaction and authorizes the obligation action.

★ D. Allow the ordering office up to the timeframes specified in subsections 110301 and 110501 from the date of disbursement to resolve and/or fund (obligate) the order/MIPR when the ordering office gives intent to do further research to resolve costs billed.

E. Refer the transaction to the disbursing office for additional information or correction when the ordering office cannot validate the transaction.

110704. Travel Orders. The accounting office (unless otherwise indicated) shall:

A. Determine if a payment for personnel Temporary Duty (TDY), which results in a UMD transaction, identifies the traveler or is traceable to a separate travel system record.

B. Determine if the original obligation has been recorded in the accounting records when travel system records indicate closure of the travel order record with proper deduction of advances.

C. Record the amount of obligation (the initiating travel office) and record any UMDs (accounting office) when evidence shows that an obligation has not been recorded in the accounting system.

D. Request a copy of the travel settlement voucher from the disbursing office to support the transaction if travel system records do not indicate how a payment was used to liquidate a travel order record.

110705. Military Standard Requisitioning and Issue Procedures (MILSTRIP) Requisitions. The accounting office shall:

A. Review MILSTRIP transactions for discrepancy report and billing adjustment status. Submit billing adjustment requests, when required, in accordance with DoD 4000.25-7-M. Any billing adjustment request must be submitted within 1 year of the billing date (2 years for Foreign Military Sales).

B. Submit a follow-up request if a billing adjustment request previously has been made.

C. In accordance with the Military Standard Billing System (MILSBILLS), DoD 4000.25-7-M, Chapters 3 and 4, accept the MILSBILLS transaction if a billing adjustment has not been requested, and the time period has expired.

110706. Unidentified Document Numbers. The accounting office shall:

A. Review the unmatched transaction for a disbursing office number, and other data to ascertain the source of the obligation, e.g., the voucher number and code.

B. If there is a valid disbursing station number, refer the transaction to that disbursing office for verification and the furnishing of supporting documentation.

C. Refer the transaction to the applicable office or command if there is an indication of the source of the obligation, even though the transaction has no disbursing station number or the disbursing office cannot identify the transaction.

D. Record the transaction when the disbursing office or obligating office can identify a properly recorded obligation document.

E. Record an obligation transaction when the obligating office can identify the obligation document, but there is no current open obligation.

110707. Other Transactions

A. Accounting Office Actions

1. Review transactions to determine their purpose and nature; for example, supplemental payroll payment, express or other transportation services or hearing officer examination reporting services.

2. Request the disbursing office to furnish missing documentation or any other material that would indicate the source of an obligation or basis for the payment when payment voucher support is missing or is incomplete.

3. Forward, to the funding office, transactions that have no matching accounting records, but have an indication of an obligation, such as an order number. Include an explanation of the apparent nature and purpose of the expenditure, request research of the circumstances of the unrecorded obligation and obtain support to show that the payment was not improper.

4. If there is no indication of an obligation, review the supporting documentation for any indication that the disbursement may have been incorrectly coded or other errors may have been made.

B. Funding Office Actions

1. Record a transaction when it can be matched to a prior unliquidated obligation.
2. If a transaction does not match, continue research efforts, including trying to identify erroneous document numbers, etc.

★1108 REQUEST TO DISCONTINUE UNSUCCESSFUL RESEARCH EFFORTS FOR OVERAGED UNMATCHED DISBURSEMENTS AND NEGATIVE UNLIQUIDATED OBLIGATIONS

★ 110801. General. Notwithstanding the obligation of funds in accordance with section 1105, above, UMDs and NULOs may continue to be researched. For transactions of \$2,500 or less, the decision to continue (or discontinue) research is at the discretion of the fund holder. For transactions over \$2,500, the Military Department Assistant Secretaries (Financial Management and Comptroller) or Defense Agency Comptroller, respectively, may require the fund holder to continue research action. If continued research is explicitly required of the fund holder, written approval to discontinue research shall be obtained from the Military Department Assistant Secretaries (Financial Management and Comptroller) or Defense Agency Comptroller, respectively, for transactions over \$2,500. However, once the required obligation or obligation adjustment has been recorded for a UMD or NULO, the DFAS shall discontinue reporting the UMD or NULO regardless of whether research efforts continue.

★ 110802. Minimum Criteria for Requesting Approval to Discontinue Research

- A. There is no indication that an overpayment or a duplicate payment has been made and not fully collected.
- B. For contracts closed by the DFAS:
 1. A preclosing payment review has been completed.
 2. Unmatched disbursement(s) or negative unliquidated obligation conditions, which cannot be resolved, will not exceed the contract total if recorded.
- C. For erroneous document numbers when neither the disbursing office, or indicated obligating office, can furnish information or support the disbursement.
- D. For travel orders when an unmatched transaction contains insufficient information for research and cannot be traced due to age.
- E. Requests to discontinue further research efforts may be forwarded when the research steps listed in section 1107, above, cannot be completed because of missing or insufficient documentation, and steps to request or obtain the missing documentation or

clarification of the insufficient documentation were taken as specified but have not produced results, and further efforts appear fruitless and not cost-effective.

F. The following information shall be submitted in support of each request to discontinue research:

1. A separate report listing the individual transactions for each appropriation, by responsible accounting office, shall be provided.

2. A summary of research efforts and other steps taken to obtain missing documents or additional support for insufficient documentation shall be provided. As a minimum, the summary report shall include statements advising that the following actions were taken:

a. When applicable, transaction histories of the respective accounting and payment systems were obtained, reviewed, and compared for omitted transactions and other differences.

b. For omitted documents or noted differences, a request to obtain the documents or other clarifying evidence was made to the appropriate funding or contracting office for obligation documents and payment office for payment supporting documents.

c. Information regarding the research success achieved, as reported by the office to which requests were made, that the request for documentation and supporting information could not be accomplished due to invalid document number references, lost or misfiled documents, or inadequate data for searching files.

d. Sufficient actions were taken during the research efforts to provide reasonable assurance that no duplicate payments or other overpayments remain outstanding and no fraud has occurred involving the disbursement transactions for which research efforts are requested to be discontinued.

★ 110803. Reporting of Continued Research Efforts. After the research required by section 1107 of this chapter is accomplished by the accounting office and the fund holder, and the researched UMDs and NULOs are properly resolved, and/or required obligations or obligation adjustments are recorded, further research or reporting of such UMDs or NULOs is not required. If a fund manager and/or the accounting office later identify the need for an additional adjustment or correction and provide the appropriate adjusting/correcting document, the appropriate adjustment/correction shall be recorded.

1109 CORRECTIONS AND POSTINGS OF PRIOR DISBURSEMENTS INVOLVING APPROPRIATED FUNDS

110901. General. This section cites general procedures for recording corrections of prior disbursements erroneously charged to the wrong obligation or otherwise erroneously posted. The procedures are stated in general terms in recognition of the numerous accounting systems, each of which has specific transaction identifiers and processing requirements. The procedures in this section apply to disbursement transactions that have been or should have been charged to direct appropriations.

110902. Corrections of Prior Disbursements or Posting Errors when the Correct Obligation has been Identified and the Appropriation that should have been Charged is an Appropriation that is in a Current or Expired Status

A. To properly record a disbursement in an appropriation that should have been charged, adjust the records of the current or expired appropriation by taking one of the following two actions as appropriate:

1. If a disbursement exceeds a prior obligation (that is, if it has created a NULO), an adjustment to the prior obligation is required; therefore, increase the amount of obligation previously recorded to eliminate the NULO.

2. If a disbursement was made for which an obligation previously was not recorded, or otherwise has not been identified, an obligation is required; therefore, record an obligation and match the disbursement to the obligation.

B. To correct the improper charge to a current or expired appropriation that was charged previously in error, adjust the records of the appropriation by taking one of the following two actions:

1. If a recoupment applies to a disbursement that either was matched erroneously to an obligation or remains unmatched, record a recoupment reversing the prior disbursement.

★ 2. If the recoupment applies to a previous UMD, NULO, or disbursement in-transit for which an obligation or obligation adjustment was established in accordance with subsection 110905, below, record the recoupment as an offset to the obligation or obligation adjustment and reverse the obligation or obligation adjustment.

110903. Corrections of Prior Disbursements or Posting Errors When the Correct Obligation has been Identified and the Appropriation that should have been Charged Is a Closed Appropriation and the Disbursement Occurred Before Closure of the Correct Chargeable Appropriation

A. To reflect the charge properly to the closed appropriation that should have been charged initially (before it was closed), process a memorandum charge to the closed appropriation.

1. Adjust the records of the closed appropriation to reflect the previous disbursement by taking one of the following two actions, as appropriate.

a. If the correct detail obligation was recorded in the closed appropriation (prior to the closure of the appropriation), match the prior charge (disbursement) to the appropriate prior obligation in the closed appropriation and reduce the unliquidated balance of the closed appropriation. (There should be no change in the unobligated balance of the closed appropriation.)

b. If the correct detail obligation was not recorded in the closed appropriation (prior to the closure of the appropriation) or otherwise has not been identified, make a memorandum record of the disbursement and reduce the unobligated balance of the closed appropriation. (There should be no change in the unliquidated obligation balance of the closed appropriation.)

2. If the adjustment required by subparagraphs 110903.A.1.a. or b. above, would exceed the unexpended balance or unobligated balance of the closed appropriation, or any administrative subdivision thereof, or if upon reducing the unobligated balance in accordance with subparagraph 110903A.1.b., above, the unobligated balance is exceeded at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary review.

B. To reverse the erroneous charge, take the actions addressed in subparagraph 110903.B.1., below, if the disbursement was erroneously charged to an appropriation that is now current or expired. If the disbursement was erroneously charged to an appropriation that is now closed, take the actions addressed in subparagraph 110903.B.2., below.

1. To correct an improper charge to a current or expired appropriation that previously was charged in error, adjust the records of the current or expired appropriation by taking one of the following two actions, as appropriate:

a. If a recoupment applies to a disbursement that either was matched erroneously to an obligation or remained unmatched, record a recoupment reversing the prior disbursement.

★ b. If the recoupment applies to a previous UMD, NULO, or disbursement in-transit for which an obligation or obligation adjustment was established in accordance with subsection 110905, below, record the recoupment as an offset to the obligation or obligation adjustment and reverse the obligation or obligation adjustment.

2. To correct an improper charge to a closed appropriation that previously was charged in error, process a memorandum recoupment reversing the erroneous charge to the closed appropriation. Adjust the records of the closed appropriation to reflect the recoupment by taking one of the following two actions as appropriate.

a. If the recoupment applies to a disbursement that either was matched erroneously to the wrong obligation or remained unmatched (prior to the closure of the appropriation), record a memorandum recoupment to offset the disbursement and increase the unliquidated obligation balance of the closed appropriation.

★ b. If the recoupment applies to a UMD, NULO, or disbursement in-transit for which the unobligated balance of the closed appropriation was reduced in accordance with subsection 110905, below, record the memorandum recoupment as an offset to the previous decrease in the unobligated balance and increase the unobligated balance of the closed appropriation.

110904. Corrections Of Prior Disbursements or Posting Errors when the Correct Obligation has been Identified and the Appropriation that should have been Charged is a Closed Appropriation and the Disbursement Occurred after Closure of the Correct Chargeable Appropriation

A. Availability of Funds at Time of Original Disbursement. Disbursements occurring after the closure of a chargeable appropriation must be funded from a current appropriation available for the same purpose as the chargeable appropriation that is closed. This current appropriation, referred to in this chapter as the “funding appropriation,” must be, or have been, available for incurring new obligations at the time of the disbursement.

1. When corrections involve disbursements that occurred after the closure of the correct chargeable appropriation, care must be taken to ensure that a correction, if required, also is made to the funding appropriation that was charged, and/or should have been charged, in addition to the closed chargeable appropriation.

2. For example, to correct a disbursement that was charged erroneously to an appropriation that was expired at the time of the disbursement, but that should have been charged to an appropriation that was closed at the time of the disbursement, reduce the balance of the correct chargeable closed appropriation, as well as charge the funding appropriation that was current at the time of the disbursement, and that should have been charged.

B. Charge the Correct Funding Account. To reflect the charge properly to the correct funding appropriation--that was current at the time of the original disbursement and available for the same purpose as the chargeable closed appropriation that otherwise would have been charged except that it was closed--adjust the records of the funding appropriation by taking the following action:

1. Establish an obligation in the correct funding appropriation and record the disbursement against the obligation.

2. If the adjustment exceeds either the unexpended balance or the unobligated balance of the funding appropriation, or any administrative subdivision thereof, report a potential violation of the Antideficiency Act and initiate a preliminary review.

C. Charge the Correct Chargeable Closed Account. To reflect the charge properly to the closed appropriation that should have been charged initially except that it was closed, process a memorandum charge to the closed appropriation.

1. Adjust the records of the closed appropriation by taking one of the following two actions, as appropriate.

- a. If the correct detail obligation was recorded in the closed appropriation (prior to the closure of the appropriation), match the prior charge (disbursement) to the appropriate prior obligation in the closed appropriation and reduce the unliquidated balance of the closed appropriation. (There should be no change in the unobligated balance of the closed appropriation.)

- b. If the correct detail obligation was not recorded in the closed appropriation (before the closure of the appropriation), or otherwise has not been identified, make a memorandum record of the disbursement and reduce the unobligated balance of the closed appropriation. (There should be no change in the unliquidated obligation balance of the closed appropriation.)

2. If the adjustment would exceed the unexpended balance or the unobligated balance of the closed appropriation, or any administrative subdivision thereof, report a potential violation of the Antideficiency Act and initiate a preliminary review.

D. Reverse the Erroneous Charge. To reverse the erroneous charge, take the actions addressed in subparagraph 110904.D.1., below, if the disbursement was erroneously charged to an appropriation that is now current or expired. If the disbursement was erroneously charged to an appropriation that is now closed, take the actions addressed in subparagraph 110904.D.2.b., below.

1. To correct an improper charge to the current or expired appropriation that previously was charged in error, adjust the records of the current or expired appropriation by taking one of the following two actions:

- a. If a recoupment applies to a disbursement that either was matched erroneously to an obligation or remained unmatched, record a recoupment reversing the prior disbursement.

★ b. If the recoupment applies to a previous UMD, NULO, or disbursement in-transit for which an obligation or obligation adjustment was established in accordance with subsection 110905, record the recoupment as an offset to the obligation or obligation adjustment and reverse the obligation or obligation adjustment.

2. To correct the improper charge to a closed appropriation that previously was charged in error, process a recoupment reversing the erroneous charge to the closed appropriation. Adjust the records of the closed appropriation by taking one of the following two actions, as appropriate.

a. If the recoupment applies to a disbursement that either was matched erroneously to the wrong obligation or remained unmatched in the accounting records (prior to the closure of the appropriation), record a memorandum recoupment offsetting the disbursement and increase the unliquidated obligation balance of the closed appropriation.

★ b. If the recoupment applies to a UMD, NULO, or disbursement in-transit for which the unobligated balance of the closed appropriation was reduced in accordance with subsection 110905, record the memorandum recoupment as an offset to the previous decrease in the unobligated balance and increase the unobligated balance of the closed appropriation.

★ 110905 Posting Procedures when the Correct Obligation has not been Identified within the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405. As stated in section 1104., obligations are to be established/adjusted, and/or unobligated balances reduced, as appropriate, for disbursements that have not been matched to the correct obligation within the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405. These actions are to be taken consistent with the procedures described below.

A. Transactions in Closed Accounts

1. Unmatched Disbursements

a. Charge the closed appropriation in which the UMD resides by reducing the unobligated balance. Unobligated balances may be reduced either at the detail (individual) transaction or summary level.

(1) If the summary method is used, the summary memorandum unobligated balance adjustments must be fully substantiated by detail transaction listings of each UMD making up the summary amount.

(2) If posted at the detail level, record a memorandum unobligated balance adjustment in the accounting records for each UMD being cleared.

b. Also increase the unliquidated obligation balance of the closed appropriation by memorandum entry.

c. If, upon reducing the unobligated balance, the unobligated balance is exceeded at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

2. Negative Unliquidated Obligations

a. Charge the closed appropriation in which the NULO resides by reducing the unobligated balance. Unobligated balances may be reduced either at the detail (individual) transaction or summary level.

(1) If the summary method is used, the summary memorandum unobligated balance adjustments must be fully substantiated by detail transaction listings of each NULO making up the summary amount.

(2) If posted at the detail level, record a memorandum unobligated balance adjustment in the accounting records for each NULO being cleared.

b. Also increase the unliquidated obligation balance of the closed appropriation by memorandum entry.

c. If, upon reducing the unobligated balance, the unobligated balance is exceeded at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

3. In-Transit Disbursements

★ a. The unobligated balance of the cited closed appropriation shall be reduced for overaged in-transit disbursements. Overaged in-transit disbursements shall be charged in the same manner as unmatched disbursements as provided for in subparagraph 110905A.1., above.

b. If a disbursement transaction identifies a specific funds holder, that funds holder must provide the supporting accounting office with a memorandum obligation document. If the funds holder did not hold funds for the fiscal year charged, or a funds holder was not identified in the transaction record, the appropriation manager shall designate a specific funds holder to take those actions required in subparagraph 110905A.1., above.

B. Transactions in Current and Expired Accounts

1. Unmatched Disbursements

a. Charge the current or expired appropriation in which the UMD resides by establishing a formal obligation for the UMD(s) in the appropriation. The

impact should be a reduction of the unobligated balance. Obligations may be posted either at the detail (individual) transaction or summary level.

(1) If the summary obligation method is used, such summary obligation amounts must be fully substantiated by detail transaction listings of each UMD making up the summary amount.

(2) If posted at the document level, record an obligation adjustment in the accounting records. Post the UMD being cleared against the adjusted obligation.

b. Also increase the unliquidated obligation balance of the current or expired appropriation.

c. If, upon recording the obligation, the obligated balance exceeds the funds available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

2. Negative Unliquidated Obligations

a. Charge the current or expired appropriation in which the NULO resides by establishing a formal obligation adjustment for the NULO in the appropriation. The impact should be a reduction of the unobligated balance. Obligations may be posted either at the detail (individual) transaction or summary level.

(1) If the summary obligation method is used, such summary obligation amounts must be fully substantiated by detail transaction listings of each negative unliquidated obligation making up the summary amount.

(2) If posted at the document level, increase the amount of the previously recorded obligation that the NULO matches by recording an obligation adjustment in the accounting records.

b. Also increase the unliquidated obligation balance of the current or expired appropriation.

c. If, upon recording the obligation adjustment, the obligated balance exceeds the funds available at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

3. In-Transit Disbursements

★ a. Obligations must be established by September 30 for all in-transit disbursement transactions in appropriations scheduled to close (become closed) at the end of the current fiscal year. Obligations for unresolved in-transit disbursement transactions

shall be recorded in the same manner as UMDs as provided for in subparagraph 110905A.1., above.

b. If a disbursement transaction identifies a specific funds holder, that funds holder must provide the supporting accounting office with an obligation document. If the funds holder did not hold funds for the fiscal year charged, or if a funds holder was not identified in the transaction record, the appropriation manager shall designate a specific funds holder to take those actions required in subparagraph 110905A.1. and 2., above.

C. Continue Research Efforts. The requirement to establish obligations for unresolved overaged UMDs, and NULOs and in-transit disbursements may not eliminate the need to complete the research and post the disbursement to the correct obligation. If continued research is explicitly required of the fund holder, then research efforts must be continued until approval to discontinue research is obtained in accordance with the procedures in section 1108.

★ 110906. Posting Procedures when Required Research is Unsuccessful and Discontinuance of Further Research is Approved. The procedures addressed in paragraphs 110906.A. through 110906.B., below, shall be applied when the actions stated in section 1107 have been completed and a request to discontinue further research has been submitted and approved in accordance with section 1108.

A. Approval Before the Expiration of the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. If approval to discontinue further research occurs before the expiration of the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405 and amounts have not been obligated in accordance with the provisions of that section, obligations must be established in accordance with the provisions of that section.

B. Approval After the Expiration of the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404 and 111405. If approval to discontinue further research occurs after the expiration of the timeframes specified in subsections 110301, 110501, 111401.B., 111404 and 111405 and amounts have been obligated in accordance with the provisions of that section, no further obligation action is required.

1110 CORRECTIONS AND POSTINGS OF DISBURSEMENTS INVOLVING THE WORKING CAPITAL FUNDS

111001. General. Corrections and postings of disbursements in the Working Capital Funds may require adjustments to both disbursements and expenses. This section cites general procedures for recording corrections of prior disbursements erroneously charged to the wrong obligation or otherwise erroneously posted. The procedures are stated in general terms in recognition of the numerous accounting systems, each of which has specific transaction identifiers and processing requirements.

111002. Corrections of Prior Disbursements or Posting Errors when the Correct Obligation has been Identified

A. To record a disbursement properly against an activity that should have been charged, adjust the records of the applicable activity by making one of the budgetary account adjustments as well as one of the propriety account adjustments. These adjustments are addressed in paragraphs 111002.A.1. and 2., below:

1. Budgetary Account Adjustments

a. If a disbursement exceeds a prior obligation (i.e., if it created a NULO), an adjustment to the prior obligation is required; therefore, increase the obligation previously recorded.

b. If a disbursement was made for which an obligation was not recorded previously, or otherwise has not been identified, an obligation is required; therefore, record an obligation and match the disbursement to the obligation.

2. Proprietary Account Adjustments

a. If it has been demonstrated that the correct proprietary account was charged previously in the correct amount, no further proprietary account adjustment is required.

b. If the disbursement occurred in the current fiscal year, and the proprietary account adjustment(s) to charge the correct proprietary account properly in the correct amount is known, then make the required proprietary account adjustment(s).

c. If the disbursement occurred in a prior fiscal year, and a real property or depreciable property proprietary asset account should be adjusted to charge the correct proprietary account properly in the correct amount, then make the required proprietary account adjustment(s).

d. If none of the provisions of subparagraphs 111002.A.2.a. through c., above, apply, charge the “extraordinary loss” proprietary account in an amount that is equal to the amount of the obligation or obligation adjustment provided for in subparagraphs 111002.A.1.a. or b., above, as applicable. This “extraordinary loss” should be recorded in the fiscal year that is current at the time that the obligation or obligation adjustment addressed in subparagraphs 111002.A.1.a. or b., above, is made, irrespective of when the disbursement occurred. Exceptions to the requirements of this paragraph may be approved by the Director for Accounting Policy in the OUSD(C). Such exceptions must be in writing.

B. To correct the improper charge that was charged previously in error, adjust the records of the applicable activity by making one of the budgetary account adjustments

addressed in subparagraph 111002.B.1., below, as well as one of the proprietary account adjustments addressed in subparagraph 111002.B.2., below:

1. Budget Account Adjustments

a. If a recoupment applies to a disbursement that either was matched erroneously to an obligation or remained unmatched, record a recoupment reversing the prior disbursement.

★ b. If the recoupment applies to a previous UMD, NULO, or disbursement in-transit for which an obligation or obligation adjustment was established in accordance with subsection 111003, below, record the recoupment as an offset to the obligation or obligation adjustment and reverse the obligation or obligation adjustment.

2. Proprietary Account Adjustments

a. If it has been demonstrated that the correct proprietary account was charged previously in the correct amount, no further proprietary account adjustment(s) is required.

b. If the disbursement occurred in the current fiscal year, and the proprietary account adjustment(s) to relieve the incorrect proprietary account properly for the amount charged is known, then make the required proprietary account adjustment(s).

c. If the disbursement occurred in a prior fiscal year, and a real property or depreciable property proprietary asset account was charged (but should not have been charged and now should be adjusted to relieve the incorrect charge), then make the required proprietary account adjustment(s).

d. If none of the provisions of subparagraphs 111002.B.2.a through c, above, apply, record an “extraordinary gain” in the proprietary account in an amount that is equal to the amount of the obligation/obligation adjustment provided for in subparagraphs 111002.B.1.a. or b., above, as applicable. This “extraordinary gain” should be recorded in the fiscal year that is current at the time that the obligation/obligation adjustment is made as addressed in subparagraphs 111002.B.1.a. or b., above, irrespective of when the disbursement occurred. Exceptions to the requirements of this paragraph may be approved by the Director for Accounting Policy in the OUSD(C). Such exceptions must be in writing.

★ 111003. Posting Procedures When the Correct Obligation Has Not Been Identified within the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. Obligations or adjustments to obligations, as well as expenses, are to be established for disbursements that have not been matched to the correct obligation within the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405. These obligations or obligation adjustments and expenses are to be processed and recorded consistent with the procedures provided for in subparagraphs 111003.A.1. through 3., below.

A. Budget Account Adjustment1. Unmatched Disbursements

a. Unmatched disbursements must be obligated and expensed against the Working Capital Fund activity where the UMD resides. (If a UMD has not been identified to a specific activity, it must be so assigned.)

b. Charge the activity in which the UMD resides by establishing a formal obligation. Obligations may be posted either at the detail (individual) transaction or summary level.

(1) If the summary obligation method is used, the summary obligation amounts must be fully substantiated by detail transaction listings of each UMD making up the summary amount.

(2) If posted at the document level, record an obligation adjustment in the accounting records. Post the UMD being cleared against the adjusted obligation.

c. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

d. Record an “extraordinary loss” in the proprietary accounts in an amount equal to the amount of the UMD. This “extraordinary loss” should be recorded in the fiscal year that is current at the time that the obligation is made as addressed in subparagraph 111003.A.1., above, irrespective of when the disbursement occurred.

2. Negative Unliquidated Obligations

a. Negative unliquidated obligations must be obligated and expensed against the Working Capital Fund activity where the NULOs reside.

b. Charge the activity in which the NULO resides by establishing a formal obligation adjustment. Obligations may be posted either at the detail (individual) transaction or summary level.

(1) If the summary obligation method is used, the summary obligation amounts must be fully substantiated by detail transaction listings of each NULO making up the summary amount.

(2) If posted at the document level, increase the amount of the previously recorded obligation that the NULO matches by recording an obligation adjustment in the accounting records.

c. If, upon recording the obligation adjustment, the obligated balance exceeds the budgetary resources available at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

d. Record an “extraordinary loss” in the proprietary accounts in an amount equal to the amount of the NULO. This “extraordinary loss” should be recorded in the fiscal year that is current at the time that the adjustment is made as addressed in subparagraph 111003.A.2.b., above, irrespective of when the disbursement occurred.

★ 3. In-Transit Disbursements

a. In-transit disbursements must be obligated and expensed against the Working Capital Fund activity in which the transaction resides. If an activity is not identified in the transaction record, the DoD Component involved shall designate a specific activity.

b. In-transit disbursements shall be charged in the same manner as UMDs. Charge the activity in which the in-transit disbursements resides by establishing a formal obligation.

c. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

d. Record an “extraordinary loss” in the proprietary accounts in an amount equal to the amount of the in-transit disbursement. This “extraordinary loss” should be recorded in the fiscal year that is current at the time that the obligation is made as addressed in subparagraph 111003A.3.b., above, irrespective of when the disbursement occurred.

B. Proprietary Account Adjustments. Record an “extraordinary gain” in the proprietary account in an amount that is equal to the amount of the obligation or obligation adjustment provided for in subparagraphs 111003.A.1. through 3., above, as applicable. This “extraordinary gain” should be recorded in the fiscal year that is current at the time that the obligation or obligation adjustment is made as addressed in subparagraphs 111003.A.1. through 3., above, irrespective of when the disbursement occurred. Exceptions to the requirements of this paragraph may be approved by the Director of Accounting Policy in the OUSD(C). Such exceptions must be in writing.

★ C. Continue Research Efforts. The requirement to obligate and expense UMD, NULOs, and in-transit disbursements that remain unmatched at the end of the timeframes specified in subsections 110301, 110501, 111401.B., 111404 and 111405 may not eliminate the need to complete the research and post the disbursement to the correct obligation. If continued research is explicitly required of the fund holder, then research efforts must be continued until approval to discontinue research is obtained in accordance with the procedures in section 1108.

★ 111004. Posting Procedures when Required Research is Unsuccessful and Discontinuance of Further Research is Approved. The procedures addressed in paragraphs 111004.A. through B., below, shall be applied when the actions in section 1107 have been completed and a request to discontinue further research has been submitted and approved in accordance with section 1108.

A. Approval Before the Expiration of the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. If approval to discontinue further research occurs before the expiration of the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405 as discussed in subsection 111003, above, and amounts have not been obligated and expensed in accordance with the provisions of that section, obligations and expenses must be established in accordance with the provisions of that section.

B. Approval After the Expiration of the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. If approval to discontinue further research occurs after the expiration of the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405 as discussed in subsection 111003, above, and amounts have been obligated and expensed in accordance with the provisions of that section, no further obligation or expense action is required.

1111 CORRECTIONS AND POSTINGS OF DISBURSEMENT INVOLVING THE FOREIGN MILITARY SALES (FMS) TRUST FUND

111101. General. Corrections and postings of disbursements in the FMS Trust Fund may require adjustments both to disbursements and charges to FMS cases or FMS surcharge accounts. This section cites general procedures for recording corrections of prior disbursements erroneously charged to the wrong obligation or otherwise posted erroneously. The procedures are stated in general terms in recognition of the numerous accounting systems, each of which has specific transaction identifiers and processing requirements.

111102. Special Notification Requirements

★ A. If, at the end of the timeframes specified in subsections 110301 and 110501 after discovery of the UMD or NULO condition, the DFAS or other accounting office has not been able to resolve the transactions, the transactions shall be forwarded to the fund holder for resolution. For FMS, both the Defense Security Cooperation Agency (DSCA) and the fund holder are to be involved in the resolution. At this time, the fund holder should be notified that he or she must fund the transaction if the transaction is not properly matched within the

timeframes specified in subsections 110301 and 110501. For FMS, a draft case modification, if required, is prepared for DSCA countersignature.

B. Due to FMS case management requirements, disbursements and disbursement adjustments involving FMS funds shall be coordinated with the DFAS-Denver Center. The DFAS will establish notification and approval procedures.

111103. Corrections of Prior Disbursements or Posting Errors when the Correct Obligation has been Identified

A. To record a disbursement properly that previously was charged erroneously, adjust the records of the FMS case or FMS surcharge account that should have been charged by taking one of the following two actions:

1. If a disbursement exceeds a prior obligation (that is, if it created a NULO), an adjustment to the prior obligation is required; therefore, increase the obligation previously recorded and match the disbursement to the adjusted obligation.

2. If a disbursement was made for which an obligation was not recorded previously, or otherwise has not been identified, an obligation is required; therefore, record an obligation and match the disbursement to the obligation.

3. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary review.

B. To correct an improper charge that previously was erroneously charged, adjust the records of the applicable FMS case or FMS surcharge account charged in error by taking one of the following two actions:

1. If a recoupment applies to a disbursement that was matched erroneously to an obligation, record a recoupment reversing the prior disbursement.

★ 2. If the recoupment applies to a previously UMD, NULO, or in-transit disbursement for which an obligation or obligation adjustment was established in accordance with subsection 111104, below, record the recoupment as an offset to the obligation or obligation adjustment and reverse the obligation or obligation adjustment.

★ 111104. Posting Procedures when the Correct Obligation has not been Identified within the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. Obligations or obligation adjustments are to be established for disbursements that have not been matched to the correct obligation within the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405. These obligations or adjustments are to be processed and recorded consistent with the procedures provided for in paragraphs 111104.A. through D., below:

A. Unmatched Disbursements

1. Unmatched disbursements must be obligated against the FMS case or FMS surcharge account where the UMD resides. (If a UMD has not been identified to a specific FMS case or FMS surcharge account, it shall be assigned to the FMS administrative surcharge account.)

2. Charge the FMS case or FMS surcharge account in which the unmatched disbursement resides by establishing a formal obligation. Obligations may be posted either at the detail (individual) transaction or summary level.

a. If the summary obligation method is used, the summary obligation amounts must be fully substantiated by detail transaction listings of each UMD making up the summary amount.

b. If posted at the document level, record a obligation adjustment in the accounting records. Post the UMD being cleared against the adjusted obligation.

3. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

B. Negative Unliquidated Obligations

1. Negative unliquidated obligations must be obligated against the FMS case or FMS surcharge account where the NULOs reside.

2. Charge the FMS case or FMS surcharge account in which the NULO resides by establishing a formal obligation adjustment. Obligations may be posted either at the detail (individual) transaction or summary level.

a. If the summary obligation method is used, the summary obligation amounts must be fully substantiated by detail transaction listings of each NULO making up the summary amount.

b. If posted at the document level, increase the amount of the previously recorded obligation that the NULO matches by recording an obligation adjustment in the accounting records.

3. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary review.

★ C. In-Transit Disbursements

1. In-transit disbursements must be obligated against the FMS case or FMS surcharge account in which the transaction resides. If an FMS case or FMS surcharge account is not identified in the transaction record, it shall be assigned to the FMS administrative surcharge account.

2. In-transit disbursements shall be charged in the same manner as UMDs. Charge the FMS case or FMS surcharge account in which the in-transit disbursements resides by establishing a formal obligation.

3. If, upon recording the obligation, the obligated balance exceeds the budgetary resources available, at the level of Antideficiency Act violation responsibility, report a potential violation of the Antideficiency Act and initiate a preliminary investigation.

★ D. Continue Research Efforts. The requirement to obligate and expense UMD, NULOs, and disbursements in-transit that remain unmatched at the end of the timeframes specified in subsections 110301, 110501, 111401.B., 111404, and 111405 may not eliminate the need to complete the research and post the disbursement to the correct obligation. If continued research is explicitly required of the fund holder, then research efforts must be continued until approval to discontinue research is obtained in accordance with the procedures in section 1108.

★ 111105. Posting Procedures when Required Research is Unsuccessful and Discontinuance of Further Research is Approved. The procedures addressed in paragraphs 111105.A. through B., below, shall be applied when the actions in section 1107 have been completed and a request to discontinue further research has been submitted and approved in accordance with section 1108.

A. Approval Before the Expiration of the Timeframes Specified in Subsections 110301, 110501, 111401.B., 111404, and 111405. If approval to discontinue further research occurs before the expiration of the timeframes discussed in subsection 111104, above, and amounts have not been obligated and expensed in accordance with the provisions of that section, obligations must be established in accordance with these provisions.

B. Approval After the Expiration of the Timeframes Specified in Subsections 111301, 111501, 111401.B., 111404 and 111405. If approval to discontinue further research occurs after the expiration of the timeframes discussed in section 111104, above, and amounts have been obligated and expensed in accordance with the provisions of that section, no further obligation or expense action is required.

1112 CORRECTIONS OF DISBURSEMENTS INVOLVING BOTH APPROPRIATED FUNDS AND REVOLVING OR TRUST FUNDS

The procedures used to correct disbursement transactions erroneously charged to one fund type (e.g., appropriated fund) that should have been charged to another fund type

(e.g., working capital or trust fund), require the application of procedures from each fund type involved. For example, for a disbursement that was charged erroneously to an appropriated fund that should have been charged to a working capital fund, the recoupment to the appropriated fund should be processed in accordance with the applicable recoupment paragraph in section 1109, while the charge to the working capital funds should be processed in accordance with the applicable paragraph in section 1110.

1113 CORRECTIONS REQUIRING NEW DISBURSEMENTS OR COLLECTIONS

111301. General. When the correction requires a new disbursement or collection, process the corrective action in accordance with sections, 1109, 1110, 1111, or 1112, as applicable. Additionally, process the new disbursement or collection in accordance with the provisions of subsection 111302, below, if the disbursement or collection does not involve a closed appropriation. Process the transaction in accordance subsection 111303, below, if the disbursement or collection does involve a closed appropriation.

111302. Disbursements or Collections that are Chargeable to a Current or Expired Appropriation or a Working Capital or Trust Fund

A. Disbursement. When a new cash disbursement involves a current or expired appropriation or a working capital or trust fund, and a closed appropriation is not involved, process and record the disbursement in accordance with existing policies and procedures for new disbursements for such accounts.

B. Collection. When a new cash collection involves a current or expired appropriation or a working capital or trust fund, and a closed account is not involved, process and record the collection in accordance with existing policies and procedures for collections for such accounts.

111303. Disbursements or Collections that are Properly Chargeable to a Closed Appropriation (Except that the Appropriation is Closed)

A. Disbursement. When a new disbursement involves an amount that otherwise is properly chargeable to a closed appropriation except that the appropriation is closed, comply with the provisions of the closing accounts legislation (summarized in paragraphs 110402.E.-G.) including:

1. Record and report the charge as a new obligation and a disbursement in a currently available appropriation that is available for the same purpose as the closed appropriation. If the obligation causes the cumulative one percent limit (identified in paragraph 110402.F.) to be exceeded, no disbursement can be made. The office funding the proposed payment (contract) must contact the cognizant Military Department Assistant Secretary for Financial Management and Comptroller or the Defense Agency Comptroller for referral to the OUSD(C) for appropriate disposition.

2. Adjust the records of the closed appropriation to reflect the new disbursement by taking one of the following two actions, as appropriate.

a. Reduce the unliquidated balance of the closed appropriation if the correct detail obligation was recorded in the closed appropriation prior to the closure of the appropriation. (There should be no change in the unobligated balance of the closed appropriation.) Match the current charge (disbursement) to the appropriate prior obligation in the closed appropriation.

b. Make a memorandum record of the disbursement and reduce the unobligated balance of the closed appropriation if the correct detail obligation was not recorded in the closed appropriation prior to the closure of the appropriation. (There should be no change in the unliquidated obligation balance of the closed appropriation.)

3. The disbursement shall not be issued if the adjustment required by subparagraphs 111303.A.2.a. or b., above, would exceed the unexpended balance of the closed appropriation, or if reducing the unobligated balance in accordance with the provisions of subparagraph 111303.A.2.b., above, would result in a negative unobligated balance at the appropriation level.

4. The disbursement may be made, but a potential violation of the Antideficiency Act must be reported and a preliminary review initiated if the adjustments required by subparagraphs 111303.A.2.a. or b., above, (a) would not exceed the unexpended balance or the unobligated balance at the appropriation level, but (b) would exceed the unexpended balance or the unobligated balance of an administrative subdivision, of the appropriation, that has Antideficiency Act violation responsibility.

B. Collection. When a new cash refund or other collection involves an amount that otherwise would be refunded or collected to a closed appropriation except that the appropriation is closed, comply with the provisions of the closing accounts legislation including:

1. Deposit the collection to the Treasury receipts account 3200, "Collections of Receivables from Canceled Accounts."

2. Increase the unobligated or unliquidated balance of the closed appropriation, as appropriate, to reflect each refund or collection deposited into the Treasury account. Adjust the records of the closed appropriation to reflect the new refund or collection by taking one of the following two actions, as appropriate.

a. If the collection applies to an accounts receivable that had been established prior to the closure of the appropriation, record a memorandum collection offsetting the receivable and increase the unobligated balance of the closed appropriation.

b. If the collection applies to a disbursement that was not established as an accounts receivable prior to the closure of the appropriation, record a

memorandum collection as an offset to the previous disbursement and increase the unliquidated obligation balance of the appropriation.

★1114 POLICY AND PROCEDURES FOR PROCESSING AND OBLIGATING AMOUNTS FOR IN-TRANSIT DISBURSEMENTS

★ 111401. Policy

A. It is DoD policy that all disbursements shall be recorded, and matched, to their corresponding obligation records as promptly as current systems and business practices reasonably permit. Nevertheless, at any given time, a percentage of the Department's disbursements may be in-transit from the disbursing office or entitlement activity to the applicable accounting office. Disbursements are considered in-transit disbursements when they have been reported by the disbursing office, through a paying center, to the Treasury Department and charged against the Department's fund balances, but: (1) have not yet been received by the applicable accounting office, (2) have been received by the applicable accounting office but not yet processed against (attempted to be entered into) the accounting office's database, or (3) it has been determined that there is insufficient information to process. The policy guidance that follows specifically addresses in-transit disbursement transactions. This policy encompasses all in-transit disbursements, including interfund transactions and disbursements originating outside the DoD.

B. The following timeframes are applicable for processing and obligating in-transit disbursement transactions made on or after October 1, 2000:

1. In-transit disbursements shall be processed and resolved in accordance with subsections 111404 through 111406, below.

2. Notwithstanding the applicability of the requirements in paragraph 1, above, obligations must be established and recorded for all unresolved in-transit disbursement transactions no later than September 30 of the year that the cited appropriation is scheduled to be closed, regardless of the age of the transaction.

3. In-transit disbursement transactions that cite closed accounts shall be processed in accordance with subsections 111404 through 111406, below. However, obligations for all such in-transit disbursements shall be established and recorded no later than September 30 each year.

C. Obligations for interfund transfers recorded in clearing account F3885, "Undistributed Intragovernmental Payments," shall be established and recorded within 6 months of the date of the disbursement.

D. In-transit disbursements recorded in the "Budget Clearing Account (Suspense)," F3875 shall be transferred to the proper appropriation no later than 60 days after the disbursement was recorded in account F3875.

E. In-transit disbursements must be properly certified. A thorough certification process helps to reduce disbursements with invalid accounting lines and, thus, should result in fewer unresolved in-transit disbursements. Additionally, thorough certification procedures should help to prevent erroneous payments. Responsibilities for obligating and reporting erroneous payments are delineated in Chapter 6, “Irregularities in Disbursing Officer Accounts,” Volume 5 of this Regulation.

F. Chargeback or reject procedures described in subsections 111404 and 111405, below, shall apply to all transactions except the following:

1. Transactions originating outside the DoD, and;
2. Transactions amounting to \$2,500 or less. (However, all transactions related to travel advances and settlements, pay entitlements, and FMS shall be chargeback or rejected in accordance with subsections 111404 and 111405.)
3. Suspected fraudulent transactions immediately shall be reported to the Defense Criminal Investigative Service.

★ 111402. General

A. In-transit disbursements generally occur when a disbursing office or entitlement activity and the applicable accounting office are not geographically collocated and do not share the same accounting record database. Because the disbursing office or entitlement activity and the accounting office do not share the same database, the disbursing office or entitlement activity transmits disbursement transactions and supporting information to the appropriate accounting office. Supporting information may be electronic or hardcopy.

B. An unresolved in-transit disbursement occurs when a disbursement is not matched to the correct obligation because either: (1) it cannot be, or has not been, routed to the correct accounting office, or (2) the accounting office does not have sufficient information to allow it to attempt to process the in-transit disbursement.

C. Once the applicable accounting office has received, and has sufficient information to allow it to attempt to match the disbursement with an existing obligation in its database, the disbursement is no longer considered to be an in-transit disbursement. Rather, the disbursement is to be treated as a matched disbursement, a UMD (when an obligation record is not found), or a NULO (when an obligation record exists but the disbursement amount exceeds the amount of the recorded obligation). When UMDs and NULOs result, manual intervention must be expeditiously taken to research, obligate and record the disbursement in accordance sections 1104 through 1107 of this chapter.

D. An unresolved in-transit disbursement falls within one of two basic categories: (1) within-center disbursement, or (2) cross-disbursement.

1. Within-center Disbursement. A “within-center” in-transit disbursement is created when a disbursing office makes a payment for an accounting office that reports to the same DFAS Center as the disbursing office, but the accounting office and the disbursing office do not share the same database. (An example of a within-center in-transit disbursement is when the Omaha Operating Location (OPLOC) disbursing office disburses for a Dayton OPLOC accounting office. Both OPLOCs report to the DFAS-Denver Center; however, they do not share the same accounting database.)

2. Cross-Disbursement. A “cross-disbursement” is created when a disbursing office makes a payment for an accounting office that reports to a DFAS center other than the center to which the disbursing office reports. (An example of a cross-disbursement is when a DFAS-Cleveland disbursing office makes a disbursement for a DFAS-Denver accounting office.) A cross-disbursement also is created when a non-DoD federal agency (such as the Department of State) makes a payment charged to a DoD account.

E. Depending on the type of in-transit disbursement (within-center disbursement or cross-disbursement), one or more of the following may be involved in processing an in-transit disbursement transaction: an entitlement activity, a disbursing office, a paying center, an accounting center and an accounting office. The primary responsibilities of these activities for in-transit disbursements are:

1. Entitlement Activity. An entitlement activity is responsible for certifying the validity of payments on behalf of one or more DoD Components; and, consequently, is responsible for obtaining, maintaining and providing sufficient supporting documentation for such payments. In the case of centralized disbursing, supporting documentation remains with the entitlement activity rather than the disbursing office.

2. Disbursing Office. A disbursing officer (DO) is responsible for disbursing and collecting funds on behalf of one or more DoD Components as well as obtaining, maintaining and providing sufficient supporting documentation for such transactions. In the case of centralized disbursing, documentation functions may take place at an entitlement activity rather than at a disbursing office. Disbursing offices also are responsible for reporting disbursements and collections to a paying center (DFAS Centers at Cleveland, Denver, Indianapolis, Columbus or Kansas City) using a unique four-digit disbursing station symbol number (DSSN) assigned by the Department of the Treasury.

3. Paying Center. A paying center is responsible for consolidating disbursements and collections transmitted by DOs that report to the center, and for reporting the DOs’ returns by assigned DSSNs to the Department of the Treasury. For within-center disbursements, the paying center also is the accounting center and, consequently, maintains the status of funds for the appropriations cited on the disbursement transactions.

4. Accounting Center. An accounting center is responsible for receiving and processing status of funds reports from accounting offices supporting DoD Component fund holders. For cross-disbursements, an accounting center may distribute, to

accounting offices, in-transit disbursements received from paying centers, and monitor the status of disbursement recordation. For within-center disbursements, the accounting center also acts as a paying center.

5. Accounting Office. An accounting office is responsible for maintaining accounting records of assigned fund holders. All accounting offices are assigned six-digit codes (sometimes referred to as fiscal station numbers, authorized accounting activities, or accounting and disbursing station numbers). All disbursement transactions eventually must be distributed to an accounting office, recorded against a valid obligation, and reported on status of funds reports. All accounting offices within the Department report through the DFAS Centers at Cleveland, Columbus, Denver, Indianapolis or Kansas City.

F. The DFAS and other non-DFAS accounting and disbursing activities are responsible for monitoring in-transit disbursement activity and ensuring compliance with established in-transit policies. Specifically, the DFAS and other non-DFAS accounting and disbursing activities shall monitor and provide oversight to ensure that in-transit disbursements are processed and obligated in a timely manner consistent with approved policies. Additionally, the DFAS shall accumulate the dollar value of chargedback transactions and report on such amounts when requested.

G. Chargedback transactions shall be processed via a SF 1081, "Voucher of Withdrawals and Credits," vouchered and reported through the Statement of Accountability/Statement of Transactions, and reported to the Department of the Treasury.

★ 111403. Required Documentation for In-transit Disbursements

A. The applicable disbursing office or entitlement activity shall use either electronic or hard copy-based processes to provide detailed supporting documentation (supplemental information) to the applicable paying center, accounting center, or accounting office. If adequate detailed accounting data is transmitted electronically, the disbursing office or entitlement activity need not also forward paper copies of applicable supporting documentation unless specifically requested for a particular transaction.

B. The applicable disbursing office or entitlement activity shall ensure that, as a minimum, each in-transit disbursement transaction is supported by documentation that identifies the disbursing office and/or entitlement activity, cycle number, voucher number, appropriation/fiscal year, limitation or subhead, amount, accounting office code, obligation document number, and other information that identifies the obligation, as applicable.

1. An in-transit disbursement immediately shall be rejected or chargedback to the disbursing office (or applicable center) if the documentation/information in support of the in-transit disbursement:

a. Identifies a departmental code or basic symbol of a Component not serviced by the applicable center.

b. Identifies funds (e.g., an allotment serial number) not serviced by the accounting office; or,

c. Reveals that an in-transit disbursement is fraudulent. (Additionally, the Defense Criminal Investigative Service shall be notified immediately.)

2. Requests for additional documentation/information shall be made when one or more of the following conditions exist:

a. Detailed data (electronic or otherwise) is illegible or garbled, out-of-balance, or lacks sufficient detail to process;

b. Hard copy or electronically transmitted detailed data contains an invalid accounting citation; or,

c. The transaction amount of the automated cross-disbursement register does not agree with the amount on the voucher and/or supporting documentation.

d. The amount of summary charges reported to the Treasury Department does not equal the detail reported by the paying offices.

3. Generally, request for additional supporting documentation shall be made to enable the proper matching of obligations and disbursements and shall be limited to the requirements delineated in paragraph 111403.B, above.

4. Requests for supporting documentation/information must be dated and made in writing (or other documented form of communication).

5. As much as feasible, disbursing offices or entitlement activities and accounting offices should communicate with, and transmit supporting documentation directly to, each other so as to minimize in-transit disbursement resolution and processing time.

★ 111404. Responsibilities For Processing and Obligating Within-Center In-transit Disbursements. Generally, a within-center in-transit disbursement transaction involves: (1) a disbursing office or entitlement activity, (2) an accounting center, and (3) an accounting office. Although accounting centers monitor disbursement activity transmitted by disbursing offices and recorded by applicable accounting offices, disbursing offices or entitlement activities and accounting offices may communicate with, and transmit data and supporting documentation (or supplemental information for electronic transmittals) directly to, each other so as to minimize in-transit disbursement processing time. When other research means have been exhausted and additional documentation is requested by an accounting center or accounting office, the disbursing office or entitlement activity should transmit the requested documentation directly to the requesting activity so as to shorten resolution and processing time.

A. Disbursing Office or Entitlement Activity. In the performance of its duties as it pertains to processing within-center in-transit disbursements, a disbursing office or entitlement activity may: (1) suspend transactions submitted for payment, (2) transmit disbursements to its accounting center (also acting as a paying center), (3) process requests for supporting documentation received from an accounting center (or accounting office), or (4) research and resolve rejected and chargedback disbursements.

1. Suspend Disbursements. A disbursing office or entitlement activity shall suspend processing a transaction submitted for payment pending receipt of sufficient supporting documentation, to include evidence of a preexisting obligation against the designated funds, and an authorized acceptance of the material or services received. The disbursing office or entitlement activity shall follow established procedures for prevalidation of the proposed disbursement in accordance with established requirements to verify that an existing obligation is recorded for the designated funds.

2. Transmit Disbursements. No less than on a weekly basis, and on a daily basis where feasible, a disbursing office or entitlement activity shall process and transmit disbursement transactions, to include sufficient supporting documentation (hardcopy or electronic), to its accounting center (or accounting office). When the disbursing office or entitlement activity transmits the disbursement to its accounting center (or accounting office), the disbursement is in an “in-transit” status.

3. Process Requests. Within 30 days of a request from an accounting center or accounting office for additional supporting documentation, a disbursing office or entitlement activity shall provide the requested documentation to the requesting activity. Generally, request for additional supporting documentation are intended to enable the proper matching of obligations and disbursements and should be limited to the requirements delineated in paragraph 111403.B, above. As much as feasible, disbursing offices or entitlement activities and accounting offices should communicate directly with, and transmit data and supporting documentation directly to, each other so as to minimize in-transit processing time.

4. Research and Resolve Rejects and Chargebacks

a. A reject occurs when a transaction is returned to a disbursing office or entitlement activity for additional information, without a transfer of accountability to the DO’s suspense account. The disbursing office shall provide supporting documentation within 30 days or chargedback the disbursement to the DO’s suspense account.

b. A chargedback disbursement occurs when a disbursement is rejected by an accounting office, and the applicable accounting center transfers accountability for the disbursement to the DO. A disbursing office or entitlement activity must accept and process a chargedback disbursement. The chargedback disbursement shall be received via an SF 1081.

(1) The chargedback disbursement shall be recorded against the DO's F3875 account.

(2) The disbursing office or entitlement activity shall provide supporting information to the requester within 30 days and transfer accountability for the disbursement from the DO to the applicable accounting office.

c. If the required supporting information is not provided within 60 days of receipt of a chargedback disbursement, the disbursing office shall report an erroneous payment in accordance with the provisions of Chapter 6, "Irregularities in Disbursing Officer Accounts," of Volume 5, "Disbursing Policy and Procedures," of this Regulation as appropriate, and clear the DO's F3875 account.

d. If required supporting information is obtained by a disbursing office or entitlement activity after a disbursement is reported as an erroneous payment, a disbursing or entitlement activity using an SF 1081, shall charge the applicable accounting office and retransmit the disbursement, with sufficient supporting documentation, to the accounting center.

B. Accounting Center. In the performance of its duties as it pertains to processing within-center in-transit disbursements, an accounting center may: (1) transmit disbursements to an accounting office, (2) request documentation from a disbursing office or entitlement activity, or (3) process rejects and chargebacks.

1. Transmit Disbursements. If the process for within-center disbursement involves the accounting center in distributing disbursement transactions, an accounting center shall, within 30 days of disbursement, transmit the disbursement transaction to the applicable accounting office.

2. Request Documentation. Within 30 days of the date of disbursement of an in-transit transaction by a disbursing office or entitlement activity, an accounting center shall ensure that supporting documentation (electronic or otherwise) has been transmitted by the disbursing office or entitlement activity to either the accounting center or directly to the accounting office, whichever is applicable. If the accounting center determines that supporting documentation has not been transmitted, the accounting center immediately shall:

a. Request that the disbursing office or entitlement activity submit the supporting documentation within 30 days, and;

b. After a total of 60 days from the date of disbursement, if supporting documentation has not been provided, chargeback the disbursement to the DO in accordance with paragraph 3., below.

3. Reject or Chargeback Transactions. If sufficient supporting documentation is not obtained within 30 days of request or a total of 60 days after disbursement,

or the accounting office submits a valid reject, the accounting center immediately shall reject or chargeback the disbursement to the DO, as applicable.

C. Accounting Office. In the performance of its duties as it pertains to processing and obligating within-center in-transit disbursements, an accounting office may: (1) process disbursement transactions, (2) request documentation from a disbursing office or entitlement activity, or (3) reject disbursement transactions.

1. Process Transactions. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement, the applicable accounting office shall review the transaction to ensure that there is sufficient information to determine its accountability for the transaction and take action in accordance with paragraphs a. through c., below.

a. If an accounting office cannot establish its accountability for the disbursement, the disbursement shall be rejected back to the accounting center in accordance with paragraph 3., below.

b. If an accounting office determines that there is sufficient information to properly record a disbursement, the accounting office shall match the disbursement with its corresponding obligation and shall record the disbursement. However, the following conditions may occur:

(1) If the applicable obligation is not in the accounting database, the disbursement shall be recorded as a UMD. The UMD shall be resolved in accordance with sections 1104 through 1107 of this chapter.

(2) If the applicable obligation is in the accounting database, but the amount of the disbursement exceeds the amount of the recorded obligation, the disbursement shall be recorded as a NULO. The NULO shall be resolved in accordance with sections 1104 through 1107 of this chapter.

c. If the accounting office determines that there is not sufficient supporting documentation to allow the disbursement to be matched to an obligation, the accounting office shall request supporting documentation in accordance with paragraph 2., below.

2. Request Documentation. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement transaction from the accounting center (or the DO or entitlement activity), an accounting office shall review the transaction to ensure that there is sufficient information for the applicable accounting office to determine its accountability for the disbursement transaction. If the accounting office determines that it is accountable for the transaction, but that there is not sufficient information to properly record that transaction, the accounting office shall immediately request that the disbursing office or entitlement activity research the disbursement transaction and provide the requested documentation to the accounting office within 30 days of the request.

a. Immediately, upon receipt (electronic or otherwise) of supporting documentation from a disbursing office or entitlement activity, the applicable accounting office shall attempt to match the disbursement with its corresponding obligation and record the disbursement.

b. If supporting documentation is not received within 30 days of request, the accounting office shall reject the in-transit disbursement in accordance with paragraph 3., below. However, transactions \$2,500 or less (as required by paragraph 111401.F.) shall not be rejected, but instead shall be recorded as a UMD and shall be researched in accordance with subsection 110501 of this chapter.

3. Reject Disbursement Transactions. Upon making a determination that accountability for a disbursement transaction belongs to another accounting office, or that supporting documentation will not be received, an accounting office immediately shall reject the disbursement transaction to its accounting center or the responsible DO, whichever is applicable.

★ 111405. Responsibilities For Processing Cross-Disbursed In-transit Disbursements. Generally, a cross-disbursed in-transit disbursement transaction involves: (1) a disbursing office or entitlement activity, (2) a paying center, (3) an accounting center, and (4) an accounting office. Although paying and accounting centers monitor disbursement activity transmitted by s or entitlement activities and recorded by applicable accounting offices, disbursing offices or entitlement activities and accounting offices should communicate with, and transmit supporting documentation (or supplemental information for electronic transmittals) directly to, each other so as to minimize in-transit disbursement processing time.

A. Disbursing Office or Entitlement Activity. In the performance of its duties as it pertains to processing cross-disbursed in-transit disbursements, a disbursing office or entitlement activity may: (1) suspend disbursements submitted for payment, (2) transmit disbursements to its paying center, (3) process requests for supporting documentation, or (4) research and resolve chargedback disbursements.

1. Suspend Disbursements. A disbursing office or entitlement activity may suspend processing a transaction submitted for payment pending receipt of sufficient supporting documentation, to include evidence of a preexisting obligation against the designated funds, and an authorized acceptance of the material or services received. The disbursing office or entitlement activity shall follow established procedures for prevalidation of the proposed disbursement in accordance with established requirements to verify that an existing obligation is recorded for the designated funds.

2. Transmit Disbursements. No less than on a weekly basis, and on a daily basis where feasible, a disbursing office or entitlement activity shall process and transmit disbursement transactions, to include sufficient supporting documentation (hardcopy or electronic), to its paying center. When the disbursing office or entitlement activity transmits the disbursement to its paying center, the disbursement transaction is in an “in-transit” status.

3. Process Requests. Within 30 days of a request from an accounting center or accounting office for additional supporting documentation, a disbursing office or entitlement activity shall provide the requested documentation to the requesting activity. Generally, request for additional supporting documentation are intended to enable the proper matching of obligations and disbursements and should be limited to the requirements delineated in paragraph 111403.B., above. As much as feasible, disbursing offices or entitlement activities and accounting offices should communicate directly with, and transmit data and supporting documentation directly to, each other so as to minimize in-transit processing time.

4. Research and Resolve Chargebacks.

a. A chargeback occurs when a transaction is rejected by an accounting office, and the applicable paying center transfers accountability for the disbursement to the DO. A disbursing office or entitlement activity must accept and process a chargeback disbursement. The chargeback disbursement shall be received via an SF 1081.

(1) The chargeback disbursement shall be recorded to the DO's F3875 account.

(2) The disbursing office or entitlement activity shall provide supporting information to the requester within 30 days and transfer accountability for the disbursement from the DO to the applicable accounting office.

b. If the required supporting information is not provided to the applicable paying or accounting center within 60 days of receipt of a chargeback disbursement, the applicable disbursing office or entitlement activity shall report an erroneous payment in accordance with the provisions of Chapter 6, "Irregularities in Disbursing Officer Accounts," of Volume 5, "Disbursing Policy and Procedures," of this Regulation as appropriate, and then clear the DO's F3875 account.

c. If required supporting information is obtained by a disbursing office or entitlement activity after a disbursement is reported as an erroneous payment, a disbursing office or entitlement activity, using an SF 1081, shall charge the applicable accounting office and retransmit the disbursement, with sufficient supporting documentation, to the paying center.

B. Paying Center. In the performance of its duties as it pertains to processing cross-disbursed in-transit disbursements, a paying center may: (1) transmit disbursements to an accounting center, (2) request documentation from a disbursing office or entitlement activity, or (3) chargeback unsupported disbursements.

1. Transmit Disbursements. Within 30 days of disbursement, and daily where feasible, a paying center shall transmit disbursement transactions, with sufficient supporting documentation (electronic or otherwise), to the applicable accounting center.

2. Request Documentation. Within 30 days of disbursement, a paying center shall ensure that supporting documentation has been transmitted by the disbursing office or entitlement activity to either the paying center or directly to the accounting office, whichever is applicable. If the paying center determines that there is not sufficient documentation, the paying center immediately shall:

a. Request that the disbursing office or entitlement activity submit the supporting documentation within 30 days; and,

b. After a total of 60 days from the date of the disbursement, if supporting documentation has not been provided, chargeback the disbursement to the DO in accordance with paragraph 3., below.

3. Chargeback Transactions. If supporting documentation is not obtained within 30 days of request or a total of 60 days after disbursement, or an accounting center submits a valid chargeback, the paying center immediately shall chargeback the disbursement to the DO.

C. Accounting Center. In the performance of its duties as it pertains to processing cross-disbursed in-transit disbursements, an accounting center may: (1) transmit disbursements to an accounting office, (2) request documentation from a disbursing office or entitlement activity, or (3) chargeback disbursements that have not been distributed to, or have been rejected by, accounting offices.

1. Transmit Disbursements. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement transaction from a paying center, an accounting center shall review the transaction to ensure that there is sufficient information to identify the accounting office. If the accounting center determines that there is sufficient information, the accounting center immediately shall transmit the disbursement transaction to the applicable accounting office.

2. Request Documentation. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement transaction from a paying center, an accounting center shall review the transaction to ensure that there is sufficient information to identify the accounting office. If the accounting center determines that there is not sufficient information, the accounting center immediately shall:

a. Request that the applicable disbursing office or entitlement activity research the disbursement transaction and provide the requested documentation to the accounting center or accounting office within 30 days of the request; or,

b. Chargeback the disbursement to the applicable paying center in accordance with paragraph 3., below, if supporting documentation is not provided within 30 days of the request.

3. Chargeback Transactions. If sufficient supporting documentation is not provided to the requesting activity within 30 days of the request, or the accounting office has submitted a valid reject, the accounting center immediately shall chargeback the disbursement to the paying center.

D. Accounting Office. In the performance of its duties as it pertains to processing cross-disbursed in-transit disbursements, an accounting office may: (1) process disbursement transactions, (2) request documentation from an accounting center or disbursing office or entitlement activity, or (3) reject disbursement transactions.

1. Process Transactions. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement transaction, an accounting office shall review the transaction to ensure that there is sufficient information for the applicable accounting office to determine its accountability for the disbursement transaction and take action in accordance with paragraphs a. through c., below.

a. If an accounting office cannot establish its accountability for the disbursement, the in-transit disbursement immediately shall be rejected back to the accounting center in accordance with paragraph 3., below.

b. If an accounting office determines that there is sufficient information to properly record a disbursement, the accounting office shall match the disbursement with its corresponding obligation and shall record the disbursement. However, the following conditions may occur:

(1) If the applicable obligation is not in the accounting database, the disbursement shall be recorded as a UMD. The UMD shall be resolved in accordance with sections 1104 through 1107 of this chapter.

(2) If the applicable obligation is in the accounting database, but the amount of the disbursement exceeds the amount of the recorded obligation, the disbursement shall be recorded as a NULO. The NULO shall be resolved in accordance with sections 1104 through 1107 of this chapter.

c. If the accounting office determines that there is not sufficient supporting documentation to allow the disbursement to be matched to an obligation, the accounting office shall request supporting documentation in accordance with paragraph 2., below.

2. Request Documentation. Within 30 days of receipt (electronic or otherwise) of an in-transit disbursement transaction, the accounting office shall review the transaction to ensure that there is sufficient information for it to determine its accountability for the disbursement transaction. If the accounting office determines that it is accountable for the transaction, but that there is not sufficient information to properly record the transaction, it shall immediately request that the disbursing office or entitlement activity research the disbursement

transaction, and provide the required documentation to the accounting office within 30 days of the request.

a. Immediately, upon receipt (electronic or otherwise) of sufficient documentation from the disbursing office or entitlement activity, the applicable accounting office shall attempt to match the disbursement with its corresponding obligation and record the disbursement.

b. If supporting documentation is not received within 30 days of request, the accounting office shall reject the in-transit disbursement in accordance with paragraph 3., below. However, transactions \$2,500 or less (as required by paragraph 111401.F.) shall not be rejected, but instead shall be recorded as a UMD and shall be researched in accordance with subsection 110501 of this chapter.

3. Reject Disbursement Transactions. Upon making a determination that accountability for a disbursement transaction belongs to another accounting office, or that supporting documentation will not be provided, an accounting office shall reject the disbursement transaction to its accounting center.

★ 111406. Additional Responsibilities for Resolving In-transit Disbursements

A. Ultimately, in-transit disbursements shall be matched to an obligation by an accounting office or declared an erroneous payment by a disbursing office. In accordance with subsections 111404 and 111405, an in-transit disbursement transaction, with supporting documentation, shall be transmitted to an accounting office as efficiently as feasible for recordation. If an in-transit disbursement is not transmitted to an accounting office, it shall be chargedback to a disbursing office as efficiently as feasible for research and resolution.

B. The following responsibilities apply for all in-transit disbursements made on or after October 1, 2000:

1. Once an accounting office has sufficient supporting documentation (hard copy or electronic) to allow it to match an in-transit disbursement with an obligation it shall process the in-transit disbursement and treat it as a matched disbursement, a UMD, or a NULO, as applicable, depending on whether the disbursement was matched to an obligation and the amount. All UMDs and NULOs must be researched and obligated in accordance with sections 1103 through 1107 of this chapter.

2. If, within 60 days of receiving a chargeback for an in-transit disbursement, a disbursing office fails to resolve an in-transit disbursement and provide supporting documentation sufficient to allow the disbursement to be charged to an obligation, the disbursing officer shall report an erroneous payment in accordance with the provisions of Chapter 6, "Irregularities in Disbursing Officer Accounts" of Volume 5, "Disbursing Policy and Procedures," of this Regulation.

3. Notwithstanding the actions required by paragraphs B.1. and 2., above, should a disbursement subsequently be identified to a specific obligation, appropriation, funds holder or DoD Component, the accounting office, paying center, accounting center, disbursing office, or entitlement activity involved shall work with the applicable office, center, funds holder and/or DoD Component to transfer the charge to the appropriate funds holder, appropriation manager or DoD Component. Any resulting UMD or NULO must be researched and obligated in accordance with sections 1103 through 1107 of this chapter.

C. The DFAS-Headquarters shall monitor and maintain reports on all unprocessed in-transit disbursements, undistributed in-transit disbursements, chargedback in-transit disbursements or any other in-transit disbursements. Such reports shall identify the applicable disbursing office, paying center, accounting center and accounting office, the amount, as well as appropriate corrective actions being taken. The DFAS Headquarters also shall ensure that in-transit disbursements are processed, resolved, obligated, or reported as erroneous payments in accordance with applicable provisions, and within the applicable timeframes, specified in this chapter.

★1115 “BUDGET CLEARING ACCOUNT (SUSPENSE),” F3875, AND “UNDISTRIBUTED INTERGOVERNMENTAL PAYMENTS,” F3885

111501. General. Clearing accounts temporarily hold collections or disbursements pending identification of the collection or disbursement transaction to the applicable receipt or expenditure budgetary account. A clearing account is identified by an “F” preceding the last 4 digits of an appropriation. A suspense account is a type of clearing account. Although clearing accounts may be used for recording different types of transactions, such as receipts, collections, remittances, disbursements, etc., the policies in this section address clearing accounts as they are used for recording undistributed disbursement transactions.

A. A DO (or accounting office) is responsible for citing a valid fund citation on a disbursement (or collection) transaction before transmitting the transaction to a center or the Treasury Department. Clearing accounts shall not be used as a “default” fund citation when a valid fund citation is not known or not provided for a transaction. Nor shall clearing accounts be used initially to transmit transactions to a DFAS Center or the Treasury Department. Additionally, sufficient supporting documentation (or information for electronically transmitted disbursements) shall be provided for each transaction. The proper use of clearing accounts F3875 and F3885, for disbursement transactions is delineated in paragraphs 111502 and 111503, respectively, below.

B. Both DFAS and non-DFAS accounting offices shall make every effort to maintain minimal balances in clearing accounts. All transactions in clearing accounts made on or after January 1, 2001, shall be researched and resolved within the following timeframes:

1. Each disbursement to the public (other than a federal government organization) transaction recorded in account F3875 shall be transferred to its proper expenditure account within 60 days. If the disbursement transaction is not transferred to the responsible

accounting office and charged to its proper expenditure account within 60 days, the disbursement transaction shall be charged back to, and resolved by, the disbursing office in accordance with subparagraphs 111404.A.4.b or 111405.A.4.a of this chapter.

2. Each disbursement to another federal government organization--other than an interfund transaction--recorded in account F3885 shall be transferred to its proper expenditure account within 60 days. If the disbursement transaction is not transferred to its proper expenditure account within 60 days, the accounting office shall record the disbursement transaction as a UMD and shall obligate the UMD in accordance with section 1105 of this chapter.

3. Each interfund disbursement transaction recorded in account F3885 shall be transferred to its proper expenditure account within 6 months. If the disbursement transaction is not transferred to its proper expenditure account within 6 months, the accounting office shall record and obligate the disbursement in accordance with section 1105 of this chapter.

C. A JV or an SF 1081 (“Voucher and Schedule of Withdrawals and Credits”) shall be used for correcting or transferring the accountability of a disbursement transaction. Specifically:

1. A JV shall be used when correcting data that is not reported to the Treasury Department (e.g., major command, program element, cost center, object class, job order number, or document number).

2. An SF 1081 shall be used when correcting data that is reported to the Treasury Department (e.g., department, fiscal year, basic symbol, or limit).

D. Year-end balances in clearing accounts F3875 and F3885 shall not be reported to the Treasury Department. Consequently, the DFAS Centers shall apportion and distribute year-end balances in accounts F3875 and F3885 to the predominate appropriation accounts for reporting to the Department of the Treasury at fiscal year-end. After year-end, these apportioned balances shall be transferred back to the applicable F3875 or F3885 account. (A disbursement transaction, however, shall not be retained in a clearing account for more than 60 days for disbursements other than interfund transactions, or for more than 6 months for interfund transactions, starting from the date of original entry into the clearing account.) Further guidance relative to reporting to the Department of the Treasury regarding disbursements in F3875 and F3885 is provided in Chapters 19 and 24, Volume 5, of this Regulation.

111502. Use of Budget Clearing Account (Suspense) F3875. Transactions may be changed to cite Budget Clearing Account (F3875) at either the accounting office or accounting center level. At the accounting office and center level, Budget Clearing Account F3875 is used to chargeback erroneous disbursements to the originating disbursing office. At the accounting center level, Budget Clearing Account F3875 also is used when the paying Center cannot correct an erroneous transaction that failed the Treasury Department appropriation edit tables prior to the

Treasury Department's reporting due date and/or when the electronic transmission of Statements of Accountability contain errors or invalid data, and the Centers cannot reconcile the statements prior to the Treasury Department's reporting due date.

A. Disbursement Chargebacks. Disbursements that are charged to an incorrect Treasury Index (TI), appropriation/account or allotment number, and therefore, are distributed incorrectly to an accounting center or an accounting office, or disbursements that are unsupported, shall be chargedback to the applicable paying center or DO in accordance with subparagraphs 111404.A.4 and 111405.A.4 of this chapter.

1. Chargedback disbursement transactions shall be returned to the paying center or DO with a transfer of accountability via the F3875 account. Chargedback disbursement transactions occur when an accounting center transfers accountability for a disbursement to the paying center by citing the paying center's clearing account, or the paying center transfers accountability for the disbursement to the DO by citing the DO's clearing account. The centers shall chargeback disbursements for the following reasons:

- a. Sufficient supporting documentation is not provided by the DO within 30 days of request.
- b. The DFAS Center is not accountable for the appropriation cited.

2. Rejected transactions shall be returned to the DO or accounting center without a transfer of accountability to the DO or DFAS Center. A rejected transaction occurs when an accounting office knows that the disbursement transaction ultimately will be charged to one of the allotment holders for which it maintains accountability but for which the specific allotment holder's identity is yet not known and additional information is required from the disbursing office originating the disbursement transaction.

B. Transactions That Fail Appropriation Validation Tables. A disbursement transaction that fails the Treasury Department appropriation edit tables shall be transferred into the suspense account F3875 (or account F3885 if an intergovernmental payment) for reporting to the Department of the Treasury when the paying Center cannot correct the transaction prior to the Treasury Department's reporting due date. The presumption is that the preponderance of invalid transactions ultimately will be identified to a receipt, appropriation, or fund account within a reasonably short period of time. Such transactions shall not remain in suspense account F3875 (or account F3885) for more than 60 days. At the end of the 60 day period, the transaction shall be reversed and the disbursement either shall be corrected and resubmitted to Treasury or chargedback to the applicable paying Center or DO in accordance with subparagraphs 111404.A.4 and 111405.A.4 of this chapter.

C. Transactions That Cause an Out-of-Balance Condition. The Treasury Department requires that the DFAS Centers' Statements of Accountability reconcile with the respective Center Statements of Transactions. When the electronic transmission of these

statements contains errors or invalid data, and the Centers cannot reconcile the statements prior to the Treasury Department's reporting due date, the Centers shall use account F3875 to record a balancing transaction. Such transactions, however, shall not remain in suspense account F3875 for more than 60 days. At the end of the 60 day period, the balancing transaction shall be reversed and the out of balance disbursement transaction(s) either shall be corrected and resubmitted to the Treasury Department or chargedback to the applicable paying center or DO in accordance with subparagraphs 111404.A.4 and 111405.A.4 of this chapter.

111503. Use of Undistributed Intergovernmental Payments (F3885). Intergovernmental transactions result when one federal agency makes a payment to another federal agency or makes a payment on behalf of another federal agency and requests reimbursement for such payment. Intergovernmental payments are reported to the Treasury Department, and the Treasury Department reimburses the funds of the billing agency and affects (reduces) the fund balance of the fund holder that received the goods or services (buying agency). When the fund holder's accounting office receives a disbursement transaction that contains an invalid or incorrect fund citation, the accounting office shall record the disbursement transaction in account F3885, while the transaction is under research. By recording disbursement transactions in the F3885 account, and reporting such to the Treasury Department, the appropriation-level expenditure account remain reconciled at the respective DFAS Center, accounting office and the Treasury Department. Such transactions, however, shall not remain in suspense account F3885 for more than 60 days.

A. Disbursement Transactions via the On-line Payment and Collection (OPAC) System. The Treasury Department's OPAC system is a standardized interagency billing, transfer and adjustment process via a telecommunications network. An OPAC disbursement transaction with an invalid or incorrect fund citation may not be able to be matched to its corresponding obligation or recorded against its proper expenditure account by the funds holder's accounting office. The accounting office shall record questionable OPAC transactions in account F3885, when the questionable fund citation cannot be corrected before month-end reporting. Such transactions, however, shall not remain in suspense account F3885 for more than 60 days. At the end of the 60 day period, the transaction shall be reversed and the disbursement either shall be corrected and resubmitted to Treasury or rejected in accordance with OPAC procedures.

B. Disbursement Transactions via SF 1080. The DoD Components may process reimbursable charges via an SF 1080. The SF 1080 provides for reimbursing the selling Component's funds and charging the buying Component's funds for services performed or material provided. An SF 1080 disbursement transaction bearing an invalid or incorrect fund citation cannot be matched to its corresponding obligation or recorded against its proper expenditure account by the funds holder's accounting office. The accounting office shall record questionable SF 1080 transactions in account F3885, when the questionable fund citation cannot be corrected before month-end reporting. Such transactions, however, shall not remain in suspense account F3885 for more than 60 days. At the end of the 60 day period, the transaction shall be reversed and the disbursement either shall be corrected and resubmitted to the Treasury Department or rejected in accordance with reimbursable procedures.

C. Interfund Transactions. Interfund transactions involve purchases of goods or services between DoD Components. When such a transaction is reported to the the Treasury Department, the Treasury Department reimburses the selling Component's account and simultaneously charges the fund holder (or buyer). When the charge contains an invalid or incorrect fund citation, and the accounting office cannot find the matching, corresponding obligation, the charge shall be considered "in dispute," and shall be transferred to the F3885 account for research. Such transactions, however, shall not remain in suspense account F3885 for more than 6 months. At the end of the 6 month period, the buyer's accounting office shall correct, record and obligate the disbursement in accordance with section 1105 of this chapter.

111504. Timeframes for Resolving Amounts in Clearing Accounts F3875 and F3885

A. A paying or accounting center either shall distribute a disbursement transaction to an accounting office or chargeback the disbursement transaction to the DO within the timeframes specified in subparagraphs 111404.B.3 and 111405.C.3 of this chapter.

B. The DFAS Centers, accounting offices and disbursing offices shall resolve disbursement transactions in clearing accounts F3875 or F3885 within 60 days of initially recording a charge into the clearing account, or within 6 months for an interfund transaction. Disbursements in F3875 or F3885 that are not resolved within these timeframes immediately shall be (1) charged to the responsible fund holder or (2) in the case of F3875 accounts, chargedback to the appropriate DO in accordance with subparagraphs 111404.A.4 and 111405.A.4 of this chapter.

1. Once a disbursement transaction is transferred from a clearing account to a fund holder, it shall be treated as a matched disbursement, a UMD or a NULO, as applicable. All UMDs and NULOs related to disbursement transactions shall be obligated in accordance with section 1105 of this chapter. (For purposes of the time allocated to resolve UMDs and NULOs, OPAC disbursements shall be treated as "noncollocated" disbursements.)

2. A disbursing office shall clear transactions recorded in the DO's F3875 account within 60 days. Once supporting documentation is provided to the appropriate accounting office, the DO shall transfer the charge to the accounting office via an SF 1081. If a DO fails to provide supporting documentation sufficient to allow the disbursement to be charged to its corresponding obligation, the DO shall report an erroneous payment in accordance with the provisions of Volume 5, Chapter 6, of this Regulation.

111505. Reporting of F3875 and F3885 Clearing Account Balances. Clearing accounts shall be aged by transaction consistent with the timeframes specified in paragraph 111504, above. The age of a disbursement transaction in a clearing account shall be based on the date of the SF 1081 which transferred the disbursement transaction into the clearing account. When a disbursement transaction is recorded into a suspense account, the DFAS shall ensure that aging, monitoring, and reporting procedures are established.

★1116 REPORTING REQUIREMENTS

111601. Data Collection Requirements. The DFAS shall be responsible for collecting and consolidating data and reporting on the amounts and the status of UMDs, NULOs, and in-transit disbursements.

111602. Recurring Monthly Reporting Requirements. The DoD Component accounting offices shall transmit to the DFAS-HQ-A, on a monthly basis, a status report identifying all disbursement transactions that have not been matched to an obligation. The DFAS will specify the format and detail reporting requirements.

1117 MAINTENANCE OF ADEQUATE RECORDS

The DoD Components, and supporting accounting offices, shall maintain an audit trail with adequate records to substantiate all transactions, amounts and actions taken with respect to the research and clearing of UMDs, NULOs, and in-transit disbursements. This includes, but is not limited to, determinations that selected transactions meet the criteria for discontinuing further research.