



DEPARTMENT OF THE ARMY  
HUMPHREYS ENGINEER SUPPORT ACTIVITY  
HUMPHREYS ENGINEER CENTER  
7701 TELEGRAPH ROAD  
ALEXANDRIA, VA 22315-3860

REPLY TO  
ATTENTION OF:

S: 30 January 2004  
1 March 2004  
22 January 2004

CEHEC-RM-F (37)

MEMORANDUM FOR

HQUSACE STAFF PRINCIPALS  
COMMANDER, 249<sup>TH</sup> ENGINEER BATTALION/PRIME POWER SCHOOL  
DIRECTOR, HECSA  
DIRECTOR, IWR

SUBJECT: HECSA Financial Management Memorandum of Instruction  
(MOI# 37-1-04-08), Joint Unliquidated Obligation Validity Review (Phase One)

1. References:
  - a. DFAS-IN Regulation 37-1, chapter 27.
  - b. DOD FMR, Vol. 3, chapter 8.
2. References require a three-phase joint review of unliquidated obligation documents to determine that the amounts represented are valid and are supported by documentary evidence. The review is to be performed jointly between the technical elements and finance and accounting.
3. The focus of phase one of the joint review process, which is to be completed prior to the accounting period ending 31 January 2004, includes all unliquidated obligations in appropriations that will cancel at the end of the current fiscal year, and all unliquidated obligations over \$5,000 in appropriations currently available for obligation.
4. During this phase, Construction In Progress (CIP) account balances must also be reviewed. This review is necessary to determine the proper transfer of construction project costs to Plant In Service (PIS), other applicable General Ledger Accounts, or to customers.
5. Please keep in mind that our goal is a 100% reduction by 30 September 2004, in the obligated balances of appropriations canceling at the end of this fiscal year. IAW guidance published by HQs Directorate of Resource Management, if liquidation or de-obligation is not possible for those obligations subject to the 30 September 2004 deadline, activities will be required to provide sound, written justification statements for any balances remaining. Our representatives will be in contact to obtain these justification statements. It is strongly encouraged that technical element representatives get started early, and coordinate with finance and accounting to get your canceling

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obligations liquidated or de-obligated by the end of September 2004. Additionally, we have a goal to reduce balances canceling next year (FY2005) by 50% by 30 September 2004.

6. In our efforts to process de-obligations requested during the Fiscal Year 2003 joint review process appropriate CEFMS problem reports may have been filed. Please make sure you continue to follow up on these previous requests to ensure appropriate action is being taken.

7. The HECSA Contracting Office is responsible for de-obligating all contracts awarded through the Standard Procurement System (SPS). These de-obligations will be performed only after receipt of a written request via email addressed to CEHEC-CT. The email must state why the de-obligation is being requested, and any supporting documentation should be forwarded to the Contracting Office for review purposes.

8. It is requested that each CEFMS Work Item Responsible Employee technical element contact the appropriate Finance and Accounting Branch (FAB) POC listed below no later than 30 January 2004 for the purpose of coordinating the phase one review process with FAB. CEFMS gives us the capability to jointly review applicable documents without technical element representatives actually being here. Please let us know whether you wish to perform the review here at HEC or at your office when making contact, so that arrangements can be made either to send listings to you or for work space here at HEC. It is requested that all annotated unliquidated obligation reports be returned to finance and accounting by COB 1 March 2004. The CEHEC-RM-F points of contact are as follows:

<u>Name</u>	<u>Fund Source</u>	<u>Telephone Number</u>
Ms. Marie A. Riddick	Military	428-7944
Mr. Edsel B. Fraley	Civil	428-8619
Ms. Judith A. Weese	Revolving Fund	428-7100

  
CHARLES B. RAU  
Director

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CF:

HQUSACE Budget POCs

HQUSACE Admin POCS

CERM-F (M. Walsh)

CERM-B (J. Champion)

CEIWR-BT (S. Phillips)

CEIWR-BT (K. Dodson)

CEIWR-BT (C. Estep)

CEPPB-LO (B. Smith)