



COMPTROLLER

## OFFICE OF THE UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

### MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE NAVY (FINANCIAL OPERATIONS)

SUBJECT: Ship Overhaul Work – Availability of Appropriations for Unusual Cost Overruns and for Changes in Scope of Work (FPM21-06)

This memorandum issues a policy change in accordance with the National Defense Authorization Act for Fiscal Year 2021. Effective immediately, the Secretary of the Navy's limitation for contract changes increases from \$4 million to \$10 million for Navy Operation and Maintenance funds that are appropriated and available for ship overhaul.

The DoD Financial Management Regulation (FMR) mandates that all DoD Components must request Under Secretary of Defense (Comptroller) approval for an obligation amount that would cause the total amount of charges in any fiscal year for a single program, project, or activity to exceed \$4 million (and the account being used to fund the obligation is no longer available for new obligation). This limit will be raised to \$10 million specifically for Navy ship overhaul work in the next update of DoD FMR Volume 3, Chapter 10.

My point of contact for this matter is Mr. Michael Gallant, at 703-350-8721 or michael.p.gallant.civ@mail.mil.

Kim R. Laurance  
Acting Deputy Chief Financial Officer