

VOLUME 4, CHAPTER 9: “ACCOUNTS PAYABLE”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **August 2009** is archived.

| PARAGRAPH | EXPLANATION OF CHANGE/REVISION | PURPOSE |
|------------------|---|----------------|
| 0901 | Reformatted General section to comply with the Department of Defense Financial Management Regulation Standard Operating Procedure dated June 2015. | Revision |
| 090201 | Added receipt and acceptance requirements. Added definition of acceptance per Federal Acquisition Regulation (subparagraph A). Added language to clarify roles of the contracting officer/designee and treatment of Personally Identifiable Information (subparagraph A.3). Added paragraph to address treatment of goods shipped Free on Board destination (subparagraph B.2). | Addition |
| 090201 | Deleted reference to the need for acceptance of a good or service prior to recording the accounts payable as it is not a requirement of Statement of Federal Financial Accounting Standards 1, “Accounting for Selected Assets and Liabilities.” | Deletion |
| 090202 | Added accrual estimation requirements. Added documentation requirements for estimated accrual reviews (subparagraph A.3). | Addition |
| 090203 | Added quarterly accrual requirements. Added language to address scenario when all relevant information cannot be obtained in time for preparation of quarterly financials (subparagraph A). Added requirements for accruals posted by automated systems (subparagraph B). Added requirements for accruals posted by automated systems (subparagraph C). | Addition |

| PARAGRAPH | EXPLANATION OF CHANGE/REVISION | PURPOSE |
|------------------|--|----------------|
| 090205 | Added discussion of material weakness related to intragovernmental transactions and remedial actions (subparagraph A). Added requirements for recording accruals for intragovernmental orders including the need for estimates when definitive amounts are not available (subparagraph B). | Addition |
| 090206 | Added receipt and acceptance requirements for intragovernmental purchases. | Addition |
| 090207 | Added requirements for accruals of significant late payment interest. | Addition |
| 090208.B | Added information required on documentation supporting the accounts payable entry. | |
| 090210 | Clarified when liquidation of an accounts payable liability occurs with other than a three-way match scenario to include an exchange-in-kind business transaction. | Revision |
| 090211 | Clarified policy to require financial management personnel to work through the cognizant contracting officer to request invoices from contractors after contract performance has occurred and been accepted. Added documentation requirements for accounts payable amounts written-off, correction of abnormal accounts payable balances, and the documentation needed to support the revised posted accounts payable amount. Updated limitation period for untimely claims to comply with United States Court of Appeals ruling on Sikorsky Aircraft Corp. versus United States, 773 F.3d 1315 (Fed. Cir.2014). | Addition |
| Policy Memo | This revision incorporates and cancels the Deputy Chief Financial Officer memorandum, "Accounting Policy for Receipt and Acceptance for Intragovernmental and Interfund Transactions," dated July 8, 2013. | Cancellation |

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CHAPTER 9

ACCOUNTS PAYABLE

*0901 GENERAL

090101. Purpose

This chapter provides the financial management policy for recording accruals for both intragovernmental and non-federal accounts payable. The accounts payable policy in this chapter does not address liabilities related to on-going continuous expenses such as employees' salaries and benefits or contract holdbacks, both of which are reported as other current liabilities.

090102. Authoritative Guidance

The policy implements applicable provisions of Statement of Federal Financial Accounting Standards (SFFAS 1), "Accounting for Selected Assets and Liabilities" and SFFAS 5, "Accounting for Liabilities of the Federal Government." The accounting events discussed in this chapter must be recorded in accordance with United States Standard General Ledger (USSGL), Department of Defense (DoD) USSGL Transaction Library available on the Standard Financial Information Structure web page and reported in accordance with the regulations promulgated by the Department of the Treasury (Treasury) and the Office of Management and Budget (OMB). Refer to Volume 1, Chapter 7, for DoD policy regarding the USSGL.

0902 ACCOUNTING POLICY

SFFAS 1 defines accounts payable as amounts owed to other entities for goods and services received (actual or constructive receipt), progress in contract performance, and rents due to other entities. SFFAS 5 states amounts payable for services are recognized when work is performed. The following paragraphs outline the policy for recognizing the accounts payable liability.

*090201. Accounts Payable Recognition, Receipt and Acceptance

A. Components must record an accounts payable liability in the appropriate accounting period for the receipt of goods or services ordered, regardless whether the receipt is from a Federal or non-federal source. Accounts payable arise when the entity accepts title to goods or services, whether the goods are delivered or in-transit. Accounts payable must be recorded when (as of acceptance date) the entity accepts title. Normally, but not always, title passes when the goods or services are received. However, when goods are accepted by a government official at a contractor's site or at a location other than the entity's place of business, the accounts payable must be recorded as of the acceptance date. The contract for the goods specifies when title transfers. The process for reporting accounts payable should provide for reporting the payable when the title transfers. For facilities or equipment being manufactured or constructed, an accounts payable should be recorded in the period the benefits are received by

the government. The recording of the accounts payable **should** not be delayed **pending** the formal acceptance of the good or service, or the receipt of a corresponding invoice for that good or service. Accounts payable policy for intragovernmental purchases is covered in paragraph 090205. Per Financial Acquisition Regulation (**FAR**) **Section 46.501**, acceptance constitutes acknowledgment that the supplies or services conform with applicable contract quality and quantity requirements. Acceptance shall ordinarily be evidenced by execution of an acceptance certificate on an inspection or receiving report form or commercial shipping document/packing list. Documentation requirements are defined in paragraph 090211.

1. Amounts recorded as accounts payable must be supportable with appropriate documentation. Documentation typically includes at least two types of information: documentation that relates to an obligation, agreement or transaction with another entity (e.g., a contract, Military Interdepartmental Purchase Request [MIPR], project order, or reimbursable work order [RWO]), and documentation that relates to establishment of the amount recognized as payable (e.g., proof of receipt). It is imperative that Components completely and accurately record their accounts payable liabilities. Accurate recording includes identification or distinction between an operating expense or capital asset/ type of capital asset to the extent possible. Responsibility for obtaining and maintaining documentation evidencing amounts payable resides with the Component that is the buyer of goods or services, rather than the seller.

2. Components must use proper protocols for receipt and acceptance of goods and services. This requirement applies to amounts owed for goods and services provided both via commercial acquisition contracts with the public and via intragovernmental transactions with other Federal entities. Protocols for receipt and acceptance should be comport with applicable directives, such as Defense Logistics Manual 4000.25-1, Military Standard Requisitioning and Issue Procedures, **Chapter 5**, “Release and Receipt of Materiel” and Defense Logistics Manual 4000.25-2, Military Standard Transaction Reporting and Accountability Procedures, **Chapter 4**, “Receipt and Due-In.”

3. Audit evidence of “receipt” must document the item(s) or service(s) and related applicable quantities received, the date the item(s) or the service(s) were received, and contain the authorizing official’s name and authorizing signature or electronic equivalent. Consistent with FAR Section 42.202, acceptance under acquisition contracts should be accomplished by the contracting officer, or by their designee. Components must ensure the audit evidence includes the calculations used to determine the amount accrued, or the basis used to estimate the amount. The documentation may, for example, include monetary amounts shown on or calculated from a purchase order or contract, historical data, or documented using a contracting officer or technical representative provided value. If audit evidence includes Personally Identifiable Information or sensitive commercial or proprietary information (such as internal labor rates provided to support certain incurred cost vouchers), such information may be redacted or described in aggregate.

4. Audit evidence of “acceptance” typically establishes that the goods/services received satisfy the criteria in the order (e.g., requisition order, interagency agreement, or contract) and acknowledgement that the goods/services are of acceptable condition/quality.

5. Components must develop, implement, and validate internal controls are in place for all intragovernmental and interfund transactions, and for transactions with the public. Components must ensure receipt and acceptance is properly accomplished and documented by authorized personnel. Documentation must be made available within the timeframe prescribed by the auditor when requested during audits.

6. Amounts owed for goods or services received from Federal entities represent intragovernmental transactions and must be reported separately from amounts owed to the public.

B. The timing of the recording of an accounts payable liability for goods shipped Free on Board (FOB) is determined by the shipping terms.

1. Components must record an accounts payable liability if the goods procured are in-transit if shipped FOB origin or shipping point and/or the Component has gained title to an asset even though it does not yet have that asset in its physical possession. When the shipping contract states FOB origin or shipping point, the ownership of, or title to the cargo, passes on to the buyer when the goods are placed on the conveyance by which they will be transported. When amounts are not available at the end of an accounting quarter, Components must estimate the accounts payable as identified in paragraph 090202.

2. Components must record an accounts payable liability when the goods procured are received from the shipper, if shipped FOB destination. Under these shipping circumstances the Component does not gain title to the asset until the goods are removed from the shipper's conveyance at the designated delivery point.

C. If an entity is offered a discount by a vendor, whether stipulated in the contract or offered on an invoice, an entity may take the discount if economically justified but only after acceptance has occurred. If the vendor does not place a date on the invoice, reject the invoice. The invoice must have an invoice date, as per Title 5, Code of Federal Regulations ([CFR](#)) [1315-9](#), to be a proper invoice. When an invoice is improper, return the invoice to the vendor within seven days of receipt of the invoice per 5 CFR 1315.4(g)(5). Refer to Volume 10, Chapter 2 for further discussion on discount offers and calculations.

*090202. Accounts Payable Recognition – Estimating the Accrual

A. When definitive amounts or invoices are not available, but the requirements for recording an accounts payable liability as stated in paragraph 090201 exist when financial statements are prepared at a minimum, Components must estimate and record an accrual when any of the following conditions exist:

1. Services are performed but the corresponding invoices are not received at period end (e.g. professional service contract).

2. Equipment and facilities are being manufactured or built based on the Government's specifications but the corresponding invoices are not received at period end (e.g. aircraft, building, etc.).

3. Goods received and accepted by the Government but the corresponding invoices are not received at period end (e.g. computers delivered and accepted by the Government but invoices are not yet received).

This estimate must be later reversed, and a more definitive amount recorded, when more complete data becomes available (e.g., upon receipt of an invoice or billing) in the normal course of business.

B. Components must have controls in place to ensure that a payable is not recorded again (i.e., duplicated) when an invoice is subsequently received involving the same procured goods or services in the normal course of operations.

C. The supporting documents (or mechanized program(s) used for the accrual estimates) must clearly show the calculations and data used to compute the amounts. This documentation must also identify who prepared the estimate, the date prepared, and who received and reviewed/approved the estimate. Components must ensure the documentation is of sufficient quality to allow an independent third party, such as an external auditor, to understand and verify the basis, value, and rationale for the recorded amount.

D. Methods for calculating the accrual estimate must be periodically validated for reasonableness by comparing the estimate to actual data once available. At a minimum, the estimating methodology must be reviewed at fiscal year-end. The estimating methodology will also need to be reviewed if there is a material change to the business process that causes material differences between the method's estimate and actual amounts or if the initial assumptions used in making the estimate materially change and the initial accrual estimate is materially affected. Performance of these reviews, as well as approval of the review must be documented by the Component/Agency. This documentation must be maintained for auditors to validate that the review was performed and that it was approved by management.

*090203. Accounts Payable Recognition – Quarterly Accruals

A. To assist in developing more accurate financial statements, at least quarterly, Components must ensure an accrual is recorded for all procurements in which DoD has received a measurable benefit from, or ownership title to, but has not been documented due to the lack of a receiving report or invoice. Components may need to make inquiries to cognizant contracting officers or the contracting officer's technical representatives to identify material dollar value of undelivered orders, not yet invoiced or captured in receiving reports to assist with establishing these quarterly accruals. In the event that the Component/Agency cannot obtain all necessary information from the contracting representatives within the 21 days allowed for the preparation of quarterly financial statements, the best available information should be used to estimate the accrual. Adjusting entries must be made in subsequent periods, as information becomes available from contracting representatives.

B. Components must also accrue temporary duty (TDY) travel taken, not yet disbursed or otherwise accounted for as a liability, as an accounts payable liability at least quarterly. Additionally, Components will need to record an accounts payable liability for TDY travel that crosses two or more accounting quarters on an estimated/proportional basis, if significant. The accrued liability must be recorded in the applicable accounting period and supported with appropriate documentation (or mechanized programs) that clearly shows the calculations and data used to compute the amount of the liability. This supporting documentation must also evidence who prepared and who received the estimate and the dates these activities were completed. If accruals are posted by mechanized programs, documentation of information such as who prepared the estimate, date prepared, who received the estimate, or who reviewed the estimate may not be available. In this case, all available information captured by the mechanized program should be captured in the accrual.

C. Components must also accrue Permanent Change of Station (PCS) travel taken, not yet disbursed or otherwise accounted for as a liability, as an accounts payable liability at least quarterly. Additionally, Components will need to record an accounts payable liability for PCS travel that crosses two or more accounting quarters on an estimated/proportional basis, if significant. The accrued liability must be recorded in the applicable accounting period and supported with appropriate documentation (or mechanized programs) that clearly shows the calculations and data used to compute the amount of the liability. This supporting documentation must also evidence who prepared and who received the estimate and the dates these activities were completed. If accruals are posted by mechanized programs, documentation of information such as who prepared the estimate, date prepared, who received the estimate, or who reviewed the estimate may not be available. In this case, all available information captured by the mechanized program should be captured in the accrual.

D. When estimating these accruals, Components must follow the policy stated in paragraph 090202.

E. Fixed-priced construction contracts containing payment provisions allowing for contractors to receive progress payments based upon the percentage or stage of completion require special consideration when recording the accounts payable liability.

1. Components must record the payable in an amount that reflects the unpaid portion of the contractor's progress payment request for which the estimate of actual progress has been concurred to or approved by the contracting officer. The accounts payable amount recorded should not include any amounts being withheld from the contractor pending acceptance and completion, or for other contract administration reasons, as per the terms of the contract. The supporting documentation should include engineering estimates and management evaluation of actual performance progress to validate the percentage of completion used. The contracting officer or their designee must maintain the supporting documentation, and be prepared to provide it to the Defense Finance and Accounting Service to support the accounts payable amount.

2. The accounts payable for this type of contract is recognized because formal acceptance of the final product by the DoD Component is not the determining factor for accounting recognition. The DoD Component acquires an asset during each accounting period based on constructive or de facto receipt, and thus must recognize/record an accounts payable during each accounting period to reflect the accumulation of that asset. Refer to Chapter 10 for additional guidance on personnel related accrued liabilities.

090204. Accounts Payable Recognition – Availability of Funds

Components must not delay the recognition of an accounts payable liability pending the availability of funds. The accounts payable not covered by budgetary resources must be disclosed in the notes to the financial statements (refer to Volume 6B, Chapters 4 and 10). A potential violation of the Antideficiency Act (ADA) may exist if the amount of a payable exceeds the total availability of funds. Refer to Volume 14 for the financial management policy regarding an ADA violation.

*090205. Intragovernmental Purchases

A. Procuring a good or service from another DoD Component or Federal entity is considered an intragovernmental purchase under the Treasury Financial Manual (TFM) Chapter 4700. Payables due to DoD Components or other Federal entities are intragovernmental payables and must be reported separately from payables due to public entities. Note that OMB Circular A-11 uses the term “intergovernmental” for transactions between or among accounts of Federal entities, and that transactions with non-appropriated fund instrumentalities are reported as transactions with the public. Treasury considers both interdepartmental and intradepartmental transactions to be subsets of intragovernmental transactions. The separation of intragovernmental and public transactions needs to be identified at the transaction level in accordance with Treasury regulations to allow for the proper summarization at the various reporting levels within the DoD, and ultimately the Federal Government as a whole. Identification at the transaction level will also support auditability down to the transaction level where the supporting documentation would normally exist. It also provides the capability to perform intragovernmental elimination entries at various organizational reporting levels.

B. Components must record accounts payable liability for intragovernmental purchases in the appropriate accounting period to recognize the receipt of goods or services ordered regardless of the document used in placing the order (e.g., MIPR, project order, or RWO). Components must ensure the liability is recorded during the accounting period that the benefit was received and not delayed pending receipt of a corresponding interagency billing or subsequent payment thereof. Documentation supporting the amount recorded must clearly show the basis (description of the good, quantity and amount; for services, description of the service, labor hours and amount) for the amount recorded as a payable (e.g., MIPR, project order, RWO, reciprocal agreement) and proof of receipt. The documentation must also be of sufficient quality to allow an independent third party, such as an external auditor, to understand and verify the basis, value, and rationale for recorded amounts.

1. In accordance with the TFM section 9.1.3 in Appendix 10, Volume 1, Part 2, Chapter 4700 “Receipt and Acceptance Phase”, as the seller performs the work necessary to deliver the agreed-upon goods/services, the seller will report the accrual amount to the buyer, at a minimum, on a quarterly basis.

2. As the buyer recording the accounts payable amount, Components must ensure that the reciprocal agreement, MIPR, or RWO includes an agreed-upon process the seller will use for providing the accrual amount. The agreement should also address the timing and valuation of the accrual to allow for a fair representation of the liability during the reporting period. The agreement should also address the documentation requirements stated in paragraph 090211.

3. The buyer and seller should work together in establishing the process and timing of the accrual to avoid the need for subsequent reconciliation efforts to bring the amounts reported by each entity into balance. When definitive amounts are not available to record the accounts payable, the buyer must work jointly with the seller to estimate the amount to record as the accrual minimally on a quarterly basis. Refer to paragraph 090202 for the policy associated with estimating accruals.

4. Regardless whether policy identifies the seller as being responsible for providing the buyer the accounts payable accrual, it still remains incumbent upon the buyer to identify and record all accounts payable accruals. Buyers are ultimately responsible for their own financial statements, and thus should engage with the seller to identify the appropriate amount to accrue. If actual cost is not available to adjust the estimated cost during the current accounting period, the adjusting entry must be made in the subsequent period, when actual cost information becomes available.

C. Components must ensure an accounts payable liability is also recorded if the goods are in-transit if shipped FOB shipping point or origin and/or the buying DoD Component has gained title to an asset even though it does not yet have that asset in its physical possession. Component buyers need to work with the intragovernmental seller to ensure this business event is identified and the corresponding accounts payable liability is recorded.

*090206. Late Payment Interest

Components must record in accounts payable an amount for prompt payment interest and other penalties incurred on late payments as required under terms of the non-federal contract. Refer to Volume 10, Chapter 7 for the policy on late payment interest and penalties. Components must also consider and record a quarterly accrual estimate for late payment interest and/or penalties to reflect any expected large dollar value late payments that will result in a significant interest and/or penalty liability in the reporting period. Defining what amounts are “significant” for these purposes is left to the discretion of the Component.

*090207. Refunds Due

Components must record an accounts payable liability to reflect the amount of refunds due but not paid at the end of the reporting period, when applicable. The amount to record should either be for the exact amount of the refund when known and positively established and clearly documented, or estimated under the provisions in paragraph 090202.

090208. Monetary Credits

A. DoD entities authorized by specific statutory authority to issue monetary credits as compensation for property or services received from non-federal entities must also record an accounts payable liability during the period the benefit from the property or services is received. These monetary credits give the seller credits in dollar amounts reflecting the agreed-upon value of the acquired property or received service. The holder of the credits may apply them later to reduce an amount later owed to the government (by the holder) in other, sometimes unrelated, transactions with the government. When monetary credits are used for exchange transactions, the DoD entity must record an accounts payable liability equal to the value of the monetary credit.

* B. Components must ensure the documentation supporting the accounts payable entry specifically identifies the property or services received, the date received, the name and signature of the DoD receiving official and include the bilateral agreement between the non-federal entity and designated DoD representative establishing the agreed-upon value. Components must also ensure the documentation is of sufficient quality to allow an independent third party, such as an external auditor, to understand and verify the basis, value, and rationale for the recorded amount.

090209. Closed Appropriations

When an appropriation account is closed, any remaining balance in the account is required to be cancelled and unavailable for obligation or expenditure for any purpose. However, legitimately incurred obligations that have not been paid at the time an appropriation is canceled must be reinstated to canceled payables and paid out of a current unexpired appropriation that is available for obligation for the same purpose as the closed account. Refer to Volume 3, Chapter 10 for more specific requirements for expired and closed accounts and Volume 3, Chapter 13 for more specific policy addressing payables involving closed appropriations.

*090210. Liquidating Accounts Payable

Accounts payable recorded in relation to receipt of a particular good or service must be liquidated when the liability created by the payable is settled. Generally, this occurs after a three-way match of a contract, receiving report, and proper invoice is performed, and a disbursement is made to satisfy the billed amount. In other than the three-way match scenario, the accounts payable liability will be liquidated when all required prepayment approvals have occurred, and other payment controls satisfied that result in generating a payment or recognizing an exchange-in-kind transaction business event.

*090211. Reviewing Accounts Payable Balances

A. The accounting office must review and reconcile the accounts payable balances to the transaction detail in supporting accounting systems in conjunction with the triannual review of commitments, obligations, accounts payable, and accounts receivable as required in Volume 3, Chapter 8. As part of the triannual or other accounts payable reviews conducted, the budgetary accounts associated with the accounts payable balances (e.g., delivered order unpaid, obligations unpaid) must be reconciled to proprietary accounts payable balances. The accounting office must research any differences, fully document the rationale for necessary adjustments, and obtain approval from the DoD Component's Comptroller or their designated representative before making the adjustments. All adjustments made and associated documentation must be retained by the accounting office to support future financial statement related audits.

B. The accounts payable recorded to reflect the payment liability for acceptable final performance on a contract or order must remain on the account until liquidated through proper payment, or until receipt of contractual or legal documents that remove the remaining liability. Components must assign financial management personnel to work through the cognizant contracting officer to request an invoice from the contractor for any accounts payable amount remaining unliquidated due to non-receipt of an invoice or billing within 180 days from the date of acceptable final contract performance. Component personnel must continue to pursue receipt of overdue invoices through the contract administration and funds holding echelons as necessary to avoid canceled appropriations and to improve accounts payable reporting. Refer to Volume 3, Chapter 8 for policy associated with dormant commitments and unliquidated obligations eligible for closeout on physically complete contracts.

1. Continued non-receipt of an invoice on firm fixed-price contracts may extinguish the contractor's right to payment and relieve DoD's obligation to pay for the uninvoiced goods or services.

2. When a contractor has failed to invoice for the received and accepted goods or services after more than six years since the date of acceptance by DoD, the relevant accounts payable may be considered for write-off after coordination with the contracting activity and/or legal counsel, and if applicable, the Defense Contract Audit Agency and the Defense Contract Management Agency. Documentation in support of this write-off must clearly represent that the over-aged accounts payable no longer continues to represent a legal liability of DoD after giving due consideration to whether or not the Government has acted to toll or

suspend the Contract Disputes Act's six-year limitation period on assertion of claims codified at [Title 41, United States Code, section 7103](#). The documentation must also include the contracting officer's determination that the legal liability to pay on the contract no longer exists. Components must ensure the accounts payable amounts written-off contain sufficient documentation to allow an independent third party, such as an external auditor, to verify the basis, value, and rationale for the write-off.

C. The accounting office must investigate accounts payable debit balances over \$100. These debit (abnormal) balances may result from any number of circumstances (e.g., duplicate payments and unrecorded accounts payable), and must be corrected after a thorough research of the underlying documentation associated with the business events and transactions impacting the particular accounts payable account.

1. Components must ensure subsequent adjustments to correct the abnormal balance are fully documented. This documentation must include a description of the circumstances that caused the initial abnormal balance and support the valuation of the revised amount. It also must include the names and signatures (or electronic equivalent) of the management official(s) approving the adjustment and should also identify the correcting steps being taken to prevent reoccurrence. All of this documentation must be available for review by the independent auditors if necessary. The accounting office should also identify and report to management any recommendations for changes to internal controls or business processes to preclude incurring abnormal accounts payable balances in the future.

2. If the investigation of a debit balance discloses an overpayment or under-recouped funds related to a contract or vendor payment, the accounting office must coordinate with the responsible entitlement and disbursing offices to pursue collection or recoupment in accordance with the policies in Volume 10, Chapter 18.

D. The inability to match a performance report or invoice with a corresponding obligation may indicate a breakdown of fund control processes and a material weakness in internal controls. When posting a transaction to accounts payable does not disclose a corresponding obligation, this may be evidence that either a contract has not been awarded or a posting error has occurred. The accounting office must request the necessary documentation to support the required accounting entry and notify appropriate officials that receiving reports or invoices are being received without a corresponding recorded obligation. Refer to Volume 3, Chapter 11 for policy on recording an obligation for an unresolved negative unliquidated obligation.

E. There also may be instances in which disbursements have been reported by a disbursing office, through a paying center, to the Treasury 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. These transactions are defined as disbursements in-transit, and based on the USSGL Crosswalk, map to the accounts payable line of the balance sheet. Refer to Volume 3, Chapter 11 for disbursements in-transit policy.

090212. Accounts Payable Document Retention

All documentation in support of accounts payable entries and adjustments must be readily available for review by auditors, management, and other Component financial management personnel. Documentation retention policy is contained in Volume 1, Chapter 9.