

SUMMARY OF MAJOR CHANGES TO			
VOLUME 10, CHAPTER 20			
“CONTRACT RECONCILIATION”			
This is a new “DoDFMR” chapter			
PAGE	PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
20-1	200101	Establishes the contract as the base line for balancing differences among the contract, disbursement records and accounting records.	New
20-1	200102	Points out the file maintenance and Accounting Classification Citation usage requirements in the FAR and DFARS.	New
20-1	200103	States the general policy and basic requirements applicable to reconciliation efforts, including adjustment package review and approval, marking of reconciled records, and timely posting.	New
20-1 to 20-2	200104	Identifies typical discrepant conditions that require attention.	New
20-2	200105	Lists the appendices included in the chapter for reference.	New
20-2	200106	Discusses the prioritization of discrepant condition work and references the contract reconciliation registration system in Appendix C of the chapter.	New
20-2 to 20-3	200107	Identifies the locations of “DoDFMR” guidance on other related issues.	New
20-3	200201	Lists DFAS responsibilities.	New
20-3 to 20-4	200202	Lists PCO/ACO, Resource Manager, and Program Manager responsibilities.	New
20-4 to 20-5	200301	Provides guidance on problem identification and performing preliminary contract reviews.	New
20-5 to 20-8	200302	Provides guidance on performing contract reconciliations.	New
20-8	200303	States the internal review and audit record keeping and retention requirements.	New
20-A-1 to 20-A-10	App. A	Provides procedures for requesting MOCAS data from DFAS-Columbus.	New
20-B-1 to 20-B-3	App. B	Provides the required qualifications and responsibilities of Responsible Contract Reconciliation Agents.	New
20-C-1 to 20-C-2	App. C	Provides contract reconciliation registration system procedures.	New
20-D-1 to 20-D-2	App. D	Provides general information on computer-based reconciliation tools.	New

20-E-1 to 20-E-14	App. E	Provides guidance on preparing, reviewing, and processing reconciliation adjustment packages.	New
20-F-1 to 20-F-2	App. F	Provides a Root Cause Error Code table.	New
20-G-1 to 20-G-3	App. G	Provides a quick reference guide to MOCAS applications.	New

CHAPTER 20

CONTRACT RECONCILIATION2001 GENERAL

200101. The obligation of the Department of Defense (DoD) to pay for goods, services, and transportation is determined by terms and conditions in contracts and bilateral modifications thereto. This chapter prescribes the policy and standard procedures necessary to ensure that contract files and related disbursement (entitlement) and accounting records remain complete, consistent, and accurate. It defines the DoD Components' roles and responsibilities for efficiently identifying differences, conducting research, performing reconciliations, approving recommended adjustments, processing corrections timely, and maintaining appropriate supporting records.

200102. The maintenance of complete, consistent and accurate contract files and related disbursement (entitlement) and accounting records is necessary to reduce the potential for violations of the Antideficiency Act and minimizes the number and dollar value of problem disbursements. Paying and accounting office contract files shall include the information specified in Part 4.803(c) of the Federal Acquisition Regulation (FAR). The use of accounting classification citations and reference numbers (ACRNs) shall be limited, as described in Part 204.7103-1 of the Defense Federal Acquisition Regulation Supplement. Disbursements shall be authorized, classified, processed, and promptly posted and reported, as discussed in [Volume 5, Chapter 11](#), of this Regulation.

200103. Differences among contract, disbursement (entitlement), and accounting records may occur for a variety of reasons. When a difference is identified, a preliminary contract review shall be performed to determine what corrective action(s) is needed (e.g., correction of an obligation issue, a disbursement issue, or both). When more than one set of records or locations is involved, the analysis is referred to as contract reconciliation. Recommended adjustments shall be reviewed and approved by qualified personnel (see Appendix B of this chapter) before distribution to the appropriate location(s) for processing. Approved adjustments shall be posted in a timely manner. Reconciled records shall be identified. Any subsequent adjustment of reconciled records shall be based on a new reconciliation registration (see subparagraph 200301.C, below). All actions shall support timely completion of the contract close out procedures in FAR 4.804-5 (funds review and deobligation of any excess funds). General guidance on preliminary contract review and contract reconciliation is in subparagraphs 200301 and 200302, below. The related requirements for researching and correcting negative unliquidated obligations, unmatched disbursements, disbursements in suspense accounts, and disbursements in-transit are in [Volume 3, Chapter 11](#), of this Regulation.

200104. Indicators of discrepant conditions that may require preliminary contract review or contract reconciliation include the following:

- A. Apparent incomplete contract, payment, or accounting information

- B. Insufficient funds
- C. Progress payment adjustments
- D. Possible overpayments
- E. Unmatched disbursements
- F. Negative unliquidated obligations.

200105. The following appendices are included to assist users in complying with the procedures in this chapter:

- A. Requests for Information
- B. Responsible Contract Reconciliation Agent (RCRA) Qualifications and Responsibilities
- C. Contract Reconciliation Registration System Procedures
- D. Reconciliation Tools
- E. Guidance on Preparing, Reviewing, and Processing Reconciliation Adjustment Packages
- F. Root Cause Error Codes
- G. Quick Reference Guide to Mechanization of Contract Administration Services (MOCAS) Applications

200106. The requirements for prioritizing the research and correction of negative unliquidated obligations, unmatched disbursements, disbursements in suspense accounts, and in-transit disbursements are addressed in [Volume 3, Chapter 11](#), of this Regulation. The DoD Components shall prioritize the analyses of other discrepant conditions in view of applicable time limitations and other circumstances. High priority conditions include those that involve congressional or senior DoD management interest, prevalidation problems, insufficient funds for payment, potential violations of the Antideficiency Act, suspected or identified overpayments, and transactions with the highest dollar value. Duplication of effort shall be avoided through compliance with the contract reconciliation registration system procedures described in Appendix C of this chapter.

200107. Related standards for recording obligations, resolving unmatched disbursements and negative unliquidated obligations, and describing budgetary accounting entries, respectively, are addressed in [Volume 3, Chapters 8, 11, and 15](#), of this Regulation. Contract payment policy and procedures are addressed in [Chapter 1](#) of this volume. Antideficiency Act violations are discussed in [Volume 14, Chapter 2](#), of this Regulation.

2002 RESPONSIBILITIES

200201. Director, Defense Finance and Accounting Service (DFAS). The Director, DFAS, shall:

A. Design, document, distribute, implement, maintain, manage and oversee disbursement (entitlement) and accounting system specific instructions and computer-based tools necessary to identify, analyze, reconcile, track, and correct differences among written contracts, disbursement (entitlement) systems and associated accounting systems. The instructions shall include criteria for determining the nature and scope of required analyses.

B. Provide disbursement (entitlement) and accounting system information to individuals participating in negotiated settlements.

C. Train and maintain a listing of a cadre of individuals from the DoD Components (RCRAs and their assistants), who meet the qualification requirements in Appendix B of this chapter, to oversee and perform reconciliations; and maintain a single DoD-wide database listing of such individuals within the Department.

D. Designate those DFAS personnel to be trained as part of the DoD cadre who oversee and perform contract reconciliations.

E. Assign DFAS members of the cadre of trained individuals to oversee and perform contract reconciliations.

F. Establish and maintain a single DoD-wide database of contracts being reconciled. This database, which is intended to reduce the likelihood of concurrent reconciliations and provide status information on ongoing reconciliations, is described in Appendix C of this chapter.

G. For contracts in the single DoD-wide database of contracts being reconciled, develop and maintain statistics on the number, timeliness and root causes (see Appendix F of this chapter) of contract reconciliations.

200202. Procurement Contracting Officers (PCOs), Administrative Contracting Officers (ACOs), Resource Managers and Program Managers. Procurement contracting officers, administrative contracting officers, resource managers and program managers shall:

A. Participate in contract reviews and contract reconciliations, and assist in the identification and resolution of differences between written contracts and disbursement (entitlement) and accounting systems.

B. Compare the accounting classification citations in section G of the contract with data in the disbursement (entitlement) and accounting systems, notify the

appropriate DFAS disbursement and/or accounting office of any significant difference(s), and provide required supporting documentation.

C. Respond timely to reasonable requests for action, information and/or documentation on a contract or modification thereto.

D. Modify the contract to correct any disclosed error(s) in accordance with the FAR.

E. Designate personnel to be trained as part of the cadre of individuals from the DoD Components who oversee and perform contract reconciliations.

F. Assign members of the cadre of trained individuals to oversee and perform contract reconciliations.

2003 PROCEDURES

200301. Problem Identification and Preliminary Contract Review. Upon the identification of a difference that may be internal to or among contract, disbursement (entitlement), and accounting records, a preliminary contract review shall be conducted to determine the scope (a difference may involve one or more sets of records) and potential cause(s) of the problem. Before undertaking a preliminary contract review, the reviewer shall query the single DoD-wide database of contracts being reconciled (maintained by the DFAS) to determine if the contract already is being reconciled. (Note: Guidance on preparing information requests associated with preliminary contract reviews and contract reconciliations is in Appendix A of this chapter.)

A. If the contract is not registered in the central database, the reviewer shall conduct a preliminary contract review. If the review discloses a contractual document error, the contracting officer or administrative contracting officer shall be notified by forwarding a completed DD Form 1716, "Contract Data Package Recommendation/Deficiency Report," to the DFAS-Columbus Center's Entitlements Directorate. If the review discloses a discrepant condition that is isolated to the reviewer's primary records and system (e.g., an obligation or disbursement posted incorrectly in the accounting system, but posted correctly in all other systems), an adjustment or correction shall be prepared, documented, approved and posted. The person working the adjustment must not ignore any out-of-balance or discrepant condition that is discovered during the preliminary contract review. A copy of each internal disbursement (entitlement) system adjustment, that is approved and posted, shall be forwarded to the DFAS-Columbus Center's Entitlements Directorate for storage in the contract folder.

B. If the contract is registered in the single DoD-wide database of contracts being reconciled, the responsible reviewer shall be contacted to determine the status, provide additional information, and coordinate reconciliation actions.

C. If the preliminary contract review concludes that a discrepant condition involves more than one set of records or locations, the contract shall be registered in the single,

DoD-wide database of contracts being reconciled within the Department, as described in Appendix C of this chapter.

200302. Contract Reconciliation. If more than one set of records or locations is involved in a discrepant condition among the contract, disbursement (entitlement) record, and accounting record, the analysis is referred to as contract reconciliation. Each contract nominated for reconciliation shall be registered in the single DoD-wide database of contracts being reconciled, as described in Appendix C of this chapter. One individual (i.e., the RCRA discussed in Appendix B of this chapter) is responsible for reviewing the reconciliation request, determining the appropriate level of effort, setting the priority, coordinating assistance, accepting or rejecting reconciliation results, approving accepted adjustments, confirming that adjustments are posted, and ensuring that refunds or demands for payment are initiated. The individual assigned to perform a contract reconciliation (whether in-house or contractor support) shall compare databases; research differences; identify the root cause(s); and recommend the adjustment(s) needed to correct differences among contract, disbursement (entitlement) and accounting records. Every effort shall be made to complete a contract reconciliation within 90 days. Circumstances may require the processing of intermediate adjustments (i.e., actions taken before reconciliation is complete) to correct immediate problems. Recommended adjustments, including intermediate adjustments, shall be reviewed and accepted or rejected as described in Appendix B of this chapter. Generally, contract reconciliation involves the following steps.

A. Determine the Scope. The reconciliation scope should be determined in consideration of the request and accompanying documentation discussed in Appendix C of this chapter. The relative priority, dollar value of the differences, number of ACRNs involved, and the age of the contract also are relevant factors in determining the scope.

B. Compare Databases. The reconciliation process normally begins with a comparison among systems to identify whether there are any mismatches. Computer-based tools available for making comparisons are described in Appendix D of this chapter. Contract reconciliation should include, as applicable, comparisons of:

1. The basic contract and all modifications thereto, and all obligation actions in all systems pertinent to any out-of-balance condition and the scope of the reconciliation. This includes contract writing system records if an automated contract writing system was used to prepare the contract. If an automated contract writing system was used and the system contains the official transaction history records, the reconciler need only reconcile to the automated contract writing system records.

2. Applicable payment vouchers.
3. Contract payment system records.
4. Official accounting system(s) records for all funds on the contract.

5. Adjustments, including any collection actions or expenditure transactions, to the contract payment or accounting system(s) records that have been processed.

C. Research Differences and Determine Required Adjustments. Differences among systems shall be researched to determine whether errors exist, and, if so, where they exist, the extent of such errors, and the required corrective action(s). This research may require assistance from other activities. Mismatches that require adjustment generally are categorized as follows:

1. Contractual documents that require correction by the ACO/PCO.
2. Obligation posting documents (omissions or corrections) that require initiation or correction by the responsible funds holder or the DFAS, when the responsibility for posting documents has been delegated.
3. Accounting system documents (internal adjustments) that require correction by the responsible accounting office.
4. Disbursement system documents (internal adjustments) that require correction by the responsible disbursing (entitlement) office, when processing does not result in a corresponding accounting system correction.
5. Disbursement system documents (external adjustments) that affect the accounting system and require correction by the responsible disbursing office, when processing results in a corresponding accounting system correction.

D. Other Considerations. Other circumstances that require special consideration include the following.

1. Foreign Military Sales (FMS) Issues. When a reconciliation adjustment involves an FMS line of accounting (i.e., basic symbol 8242), the reconciler/RCRA shall coordinate such adjustments with the DFAS-Columbus Center (DFAS-CO)/JXFD FMS points of contact (POCs) at (614) 693-8797 or (614) 693-8812 (Defense Switched Network (DSN) 869). Timing is a major concern with the disbursement of foreign country funds, and DFAS-CO/JXFD is responsible for obtaining FMS disbursement approvals. The RCRA should annotate the issue in either the Administrative or Adjustment comments section of the Standard Contract Reconciliation Tool (SCRT).

2. MOCAS “9” Adjustments. Historically, a MOCAS “9” adjustment meant that a transaction was processed off-line. The transaction could have been a DFAS-CO only (internal) adjustment, or the transaction could have been externally reported. The reconciler should research the following explanations before recommending the reversal or a MOCAS “9” adjustment.

a. Authorized journal voucher adjustments in MOCAS resulting from closed fund approvals, internal adjustments, or line of accounting adjustments.

- b. A credit processed for a previously voided check. The accounting office need not be informed of this adjustment if the payment was not reported to that office.
- c. A collection voucher that is processed off-line but is externally reported.
- d. Adjustments to Navy lines of accounting that were made on the Navy NC621 prior to October 1995. Those adjustments were reported externally but were posted in MOCAS as “9” adjustments.
- e. Manual/manual payments made off-line that, in the past, were coded as “9” adjustments. Under current policy, manual/manual payments are coded as “6” versus “9.”
- f. MOCAS internal “9” adjustments used to reestablish a preexisting balance on the Credit Ledger (CLR) for a transferred in or reopened contract.
- g. Movement of money from a pseudo ACRN back to its original alpha ACRN so that adjustments can be made (i.e., the four step adjustment).

3. Other Issues

- a. Contract Line Identification Number (CLIN) Level Adjustments. CLIN Level reconciliations normally shall be handled by the DFAS-CO.
- b. Allocation Adjustments. An administrative change to correct accounting and appropriation data requires a contract modification using Standard Form (SF) 30, “Amendment of Solicitation/Modification of Contract” (see FAR 43.301(a)(1)(iv)). Progress payment allocation adjustments not involving a contract modification may be affected with specific payment instructions (see DFARS 204.7107(e)(3)). The contract modification or payment instructions should indicate whether the allocation change is from some specific date forward or applies to a specific time period. Without specific payment instructions the MOCAS will prorate.
- c. Some contract reconciliations shall be performed by DFAS-CO. These contracts may be identified by determining the Contract Administration Reporting Section Number (CAR SEC NO) from the YCU2 screen in MOCAS (see Appendix G of this chapter). If the contract has been assigned CAR SEC NOs 3 or 4, notify DFAS-CO/JR and transfer the reconciliation to a DFAS-CO RCRA. RCRAs outside DFAS-CO should perform reconciliations only on contracts with CAR SEC NOs 1, 2, 5, 8, or 9. If the contract is identified as CAR SEC NO 5, 8, or 9, request that DFAS-CO/JR designate the contract as CAR SEC NO 2 and proceed with the reconciliation (CAR SEC NOs 5, 8, and 9 indicate that the contract is closed in MOCAS).

E. Prepare Adjustments. At the completion of research efforts, and the determination of corrective action necessary to bring the contract, the disbursement (entitlement) record and the accounting record into agreement, a reconciliation adjustment package shall be assembled, as described in Appendix E of this chapter. (Note: Accounting or entitlement systems not verified by a computer-based tool shall be validated with the affected accounting office.) After RCRA review and acceptance, the documentation for each required adjustment shall be submitted to the organization(s) responsible for processing the corrective action(s).

F. Confirm Adjustments. The RCRA shall review the affected systems, either by using a computer-based tool or contacting the activity, to confirm that the adjustment has been processed. Once confirmed, the single DoD-wide database of contracts being reconciled shall be updated.

G. Initiate any Refund or Demand for Payment

1. If the reconciliation discloses an underpayment of the amount due on a contract, or finds that funds were over recouped, a refund package shall be prepared and processed in accordance with procedures identified in Appendix E of this chapter.

2. If the reconciliation discloses an overpayment, or finds that funds were under recouped, a demand for payment of contract debt package shall be prepared in accordance with FAR 32.610 and processed in accordance with procedures identified in Appendix E of this chapter.

200303. Documentation and Review. Documents accumulated in compliance with the procedures in this chapter shall be retained, made available for and be subject to internal review and audit.

A. The DoD Component responsible for the review and acceptance of the recommended adjustment (see the RCRA responsibilities and guidelines in Appendix B of this chapter) shall retain adequate documentation to support any adjustment that is processed. Each completed adjustment file shall include the preparer's identity, approval and confirmation of the posting of the adjustment. Other documents contained in a typical completed adjustment package are identified in Appendix E of this chapter.

B. The retention of adjustment files, by the DoD Component responsible for the review and acceptance of the adjustment(s), shall be based on, and in accordance with the financial record retention requirements in [Volume 1, Chapter 9](#), of this Regulation.

CHAPTER 20**APPENDIX A**
REQUESTS FOR INFORMATION**A. General**

The conduct of a preliminary contract review or contract reconciliation may result in the need for information that must be obtained from others. Procedures to be used in requesting MOCAS information from the DFAS-CO are in the following paragraphs. Requesters should make every effort to research the issues by utilizing the resources provided by the supporting DFAS Center and Operating Location before requesting information from the DFAS-CO. Use the Request for MOCAS Information form (see Figure A-1) to request information on basic contracts and modifications, vouchers and supporting documentation, on-line contract history reports, and accounting and financial reports. Copies of the form used in this chapter are available by contacting the supporting DFAS-Centers or the DoD Component Liaison Office located in the DFAS-Columbus Center.

B. Basic Contracts and Modifications

1. Copies of basic contracts and modifications should be obtained either from the issuing PCO or ACO. The DFAS-CO shall not process any request for copies of contractual information. Copies of MOCAS contractual information issued after July 1, 1997, may be available via the World Wide Web Electronic Document Access (EDA). To obtain access to EDA, contact the Electronic Commerce Program Office, at DFAS Headquarters, telephone (703) 607-0060. A quick reference guide to MOCAS applications is in Appendix G of this chapter.

2. To obtain copies of postings of modifications and obligation histories, first check MOCAS YCU2:

a. Type the number 5 (System Inquiries) and then press "Enter," type the number 7 (Applied Modifications) and then press "Enter."

b. Type the contract number in the Procurement Instrument Identification Number (PIIN) field and then press "Enter." (Note: If the modification is not listed, print this page and forward with a copy of the entire modification to the DFAS-CO.) If the modification is listed, print this page. (Note: The Supplemental Procurement Instrument Identification Number referred to elsewhere in the chapter is known as a SPIIN.)

c. Go next to the MOCAS Obligation History screen (YCPM and etc.) and print the obligation history.

REQUEST FOR MOCAS INFORMATION
FAX 614/693-5499 or DSN 869-5499

DFAS-CO/JR
 PO BOX 182317
 COLUMBUS, OH 43218

REQUEST DATE _____

Page 1 of _____
 (Mail of MORE than 3 pgs.)

*Please provide ALL Requester and Contract Information
 Inquires not completed/incomplete will be returned without action to the requester*

REQUESTER INFORMATION	CONTRACT INFORMATION
POC: Mailing Address Telephone: (Comm): (DSN): Fax Number (Comm): (DSN): InterNet Address: ACCOUNTING STATION NAME: AAA#, ADSN#, FDSN#:	Number: _____ Del Ord #: _____ (Needed for A, D, G and H contracts) (One inquiry for each Delivery Order) ACRN(S): CLIN (If Needed): DSSN: Region: North South West ORG: _____ Circle the appropriate options NULO: YES NO \$Amount _____ UMD: YES NO \$Amount _____ (Priority; NULOs/UMDs worked first)

ITEM(s) Requested:

- Active History
- Closed History: Date Closed or Date of Last Action: _____
- Closed YTD Record (to verify contract closed date, MOCAS history not needed)
- Back up documents for Sub-voucher
- Sub-voucher copy (Please try to obtain copies from EDA)
- Need assistance for posting MOD never input into MOCAS
 (Please provide MOD copies and an explanation of adjustments)
- Need copy of a type "9" payment or adjustment Date _____ and Dollar _____
- Account Receivable/Debt management Information
 Provide Bill of Collection Number (BOC#) _____
- Other - please explain

PLEASE LIST ALL SOURCES PREVIOUSLY CHECKED:

4/9/99

Figure A-1

C. Vouchers and Supporting Documentation

1. For voucher requests, first check the voucher date. If the voucher was issued on or after July 1, 1997, the voucher should be available through the EDA. To ensure successful connection, voucher numbers for Disbursing Station Symbol Numbers (DSSNs) 8538, 8558, and 8565 are reflected in the following format: Alpha, Numeric, Numeric, Dash, Numeric, Numeric (ANN-NN). To ensure successful connection, voucher numbers for DSSNs 6422, 6469, 6356, 8560, 8541, and 8559 are reflected in the following format: Alpha, Numeric, Numeric, Numeric Dash, Numeric, Numeric (ANNN-NN). If the voucher was issued before July 1, 1997, view the MOCAS screens for information.

2. Most vouchers and voucher backup documents are available in the MOCAS. A MOCAS on-line contract history provides the same information that is on the voucher, except for the check number and company name. The check amount includes all shipments paid on the date of disbursement. The check number can be found in the MOCAS YINV. (To access, enter a 2, put in the contract number and then press "Enter.") In some cases, the screen displays payments with check numbers and amounts that have been applied against the contract. The name of the company can be found in the MOCAS YCU2 application. (To access, enter the number 5, followed by the number 12. Place an X by address data, enter the contract number in the PIIN field and press "Enter.") This screen displays the contractor's name and address.

3. If additional information is needed, review the obligation document to determine where the payment should have gone. If an organization is being billed for a specific shipment and the bill does not contain a CLIN, check the MOCAS for CLIN information. The application would be YCU2. To access, enter the number 5, followed by the number 12. Place an X by Select Individual Record, type in the contract number in the PIIN field and then press "Enter." On the next screen place an X by Specific Shipment then enter the shipment number in question. This screen will display the CLIN, and quantity shipped and accepted. If there is more than one CLIN on a shipment, press the "Enter" key to get the next screen. When all shipment information has been received, place an X by the specific CLIN in the Select Individual Record screen used to identify the shipment information and enter the CLINs that were shipped. This screen will display the ACRN that should have paid the CLIN, the unit price and total amount of the CLIN, and the quantity to be shipped.

4. For service contracts that have shipment numbers starting with a Bureau Voucher Number (BVN), the procedure above might not apply. The majority of these service/BVN type contracts are prorated over several ACRNs. Research the contractual documents to determine if it is ACRN/CLIN specific. If that is the case, a reconciliation request may be needed. Adjustments at the ACRN/CLIN level shall have be made using an SF 1081.

5. Use the MOCAS Information Request Form to obtain sub-voucher information noting one contract and one DSSN per form.

D. On-Line Contract History Report

MOCAS on-line contract history reports can be obtained through the Online Reporting System. Use the MOCAS Read-Only Access Form (see Figure A-2) to access the report. Request forms must be signed by the supervisor and local Terminal Area Security Officer (TASO). Completed forms may be faxed to the DFAS-CO at telephone number (614) 693-4896.

MOCAS READ-ONLY ACCESS FORM

DFAS - Columbus Center
Systems Branch, Program Support Division

Mailing Address

User Name: _____

Organization: _____

User ID: _____

Phone Number:
DSN: _____
Comm: _____

MOCAS Database (Mark all for which user requires access):

North (MOC H) _

South (MOC G) ____

West (MOC L) _____

Information System Security Officer (ISSO) for User's Organization

ISSO Name: _____ Fax Number: _____

ISSO Organization: _____

ISSO Phone Number: DSN: _____ Comm: _____

Access is provided to government individuals only, not activities. A separate form must be completed for each person requesting access. This form may be faxed to DSN 869-4896 or commercial: (614) 693-4896, Attention: Information Security Officer. Our mailing address is as follows:
Defense Finance and Accounting Service - Columbus Center
Attn: DFAS-CO/JFB (Information Security Officer)
P.O. Box 182317
Columbus, OH 43218-2317

For assistance, contact our office on DSN 869-4884/commercial: (614) 693-4884 or DSN 869-6008/commercial: (614) 693-6008.

Users must agree to abide by DFAS-CO security procedures (Desk Procedure 008). Sharing of access codes and passwords is strictly prohibited. Access is provided in increments of 6 months. Requests for extensions should be processed 30 days before expiration.

Figure A-2

E. Accounting Information. If, during the review, information is required from an accounting system for which the reconciler does not have access, an Accounting Data Request Memorandum (see Figure A-3) shall be prepared. Include the required level of detail (ACRN or CLIN) and complete as much of the form memorandum as possible. This form should be e-mailed or faxed to the RCRA or POC listed in the DoD-wide database of contracts being reconciled.

ACCOUNTING DATA REQUEST MEMORANDUM

Date: _____

MEMORANDUM FOR _____

SUBJECT: Request for Accounting Data on Contract _____

Our office, in accordance with "DoDFMR" Contract Reconciliation Procedures, is performing a reconciliation on the subject contract. We are unable to access the data in your system on this contract to perform a comparison. Attached is a Request for Accounting Data that shows the data represented in our system. Please complete the right hand portion of the Request for Accounting Data by providing the following information from your system on the subject contract:

_____ ACRN level obligation and disbursement data.

_____ CLIN level obligation and disbursement data .

Your assistance is greatly appreciated and it will further our ability to complete our reconciliation.

RCRA/Reconciler Signature:

Please return the completed form NLT (date): _____

Address: _____

FAX #: _____

Voice #: _____

E-MAIL: _____

RECONCILIATION DOCUMENTATION REQUEST

Date: _____

MEMORANDUM FOR _____

SUBJECT: Request for Contractual Documents

Our office, in accordance with “DoDFMR” Contract Reconciliation Procedures, is performing a reconciliation on the subject contract. Our records reflect the following Contract Number, Contractor, Contract Value and Total Obligation. Our information is based on the following basic contractual instrument and associated modifications used for this reconciliation.

Please provide concurrence/non-concurrence to the above information. For nonconcurrence, please complete the information requested on the attached and provide those documents necessary to continue the reconciliation.

Contract Number: _____

_____ Concur. The attached obligation information is valid.

_____ Nonconcur. If you do not concur that the attached obligation information is valid, please provide the reasons, details, and supporting copies of the contract.

Your assistance is greatly appreciated and it will further our ability to complete our reconciliation.

RCRA Signature: _____ RCRA Code: _____

Please return attached form to: _____ NLT Date: _____

Address: _____

FAX #: _____
 Voice #: _____

E-MAIL: _____

Attachment:

Figure A-4

CONTRACT MODIFICATION INDEX						
CONTRACTOR				CONTRACT NUMBER		
DATE	MOD NUMBER	TYPE OF MODIFICATION	PRICE CHANGE	CUMULATIVE VALUE	OBLIGATED AMOUNT	CUMULATIVE OBLIGATION

Figure A-4

CHAPTER 20**APPENDIX B****RESPONSIBLE CONTRACT RECONCILIATION AGENT (RCRA) QUALIFICATIONS
AND RESPONSIBILITIES****A. General**

This appendix specifies the required qualifications and responsibilities of RCRA's and their assistants. Contract reconciliations shall be accomplished by trained DoD and contractor personnel using standard procedures and computer-based tools, and shall be registered using the procedures in Appendix C of this chapter. The RCRA's shall be designated by the DFAS to be solely responsible for the conduct of limited or full contract reconciliations, and for any adjustments and/or entitlements to contractors resulting from reconciliations.

B. RCRA Qualifications. Appointed RCRA's shall:

1. Be federal government employees.
2. Successfully complete the RCRA training course offered by the DFAS.
3. Have recent experience in managing situations requiring simultaneous coordination of efforts at the technical and professional level between multiple organizations.
4. Have experience and a thorough understanding of the processes and interactions between disbursement (entitlement) and accounting systems to include how data is shared or exchanged between systems.
5. Have a working level knowledge of the reconciliation process, contract funding terms, entitlement clauses, and agency policies and priorities.
6. Have a working knowledge of the applicable reconciliation tools and the use and updating of the single DoD-wide database of contracts being reconciled.

C. RCRA Responsibilities and Guidelines. Appointed RCRA's shall have the following responsibilities.

1. Ensure that data in the single DoD-wide database of contracts being reconciled is accurate and timely.
2. Control and coordinate reconciliation efforts to ensure that:
 - a. Reconciliations are prioritized and performed in a timely and accurate manner with no duplication of effort.

- b. Reconciliations are conducted with a Department-wide view, wherein only one RCRA controls the reconciliation of a specific contract at any given time.
 - c. Reconciliation priorities are assigned in a manner that is consistent with this chapter.
 - d. Adjustments are properly documented and shall fully correct all affected systems within the scope of the reconciliation, with data updated to within 30 calendar days of submission of the adjustment package.
 - e. Adjustments are verified and accurately posted to all disbursement (entitlement) and accounting systems.
3. Ensure that, once initiated, reconciliations are completed and accepted within 90 calendar days. Additional reconcilers shall be assigned as necessary to meet this time frame.
 4. Determine whom to involve in the reconciliation process, evaluate the progress of all ongoing reconciliations under his/her direction and make changes (e.g., add resources, provide assistance, or transfer reconciliation assignments based on communications with other affected DoD Component or DFAS Center RCRAs), as deemed necessary.
 5. Assist other RCRAs in accomplishing reconciliations by ensuring that requested data is provided within a 10-day workday time frame.
 6. Accept or reject completed reconciliations. The RCRA shall accept complete and accurate reconciliations (i.e., including all necessary supporting documentation) from the assigned reconcilers, and reject reconciliations that are inaccurate or incomplete.
 7. Determine that the adjustments are correct and adequate supporting documentation is provided. The RCRA acceptance shall serve as justification for posting without further validation.
 8. Consolidate the reconciliation package and supporting documentation.
 9. Prepare the adjustment package cover memorandum.
 10. Submit reconciliation adjustment packages to the location(s) responsible for processing adjustments.
 11. Prepare and submit refund and demand for payment packages in accordance with FAR 32.610 and Appendix E of this chapter.
 12. Retain adjustment files, based on and in accordance with the record retention requirements in [Volume 1, Chapter 9](#), of this Regulation.

D. Reconciler Responsibilities. The RCRA may reconcile the contract or may oversee one or more reconcilers located in a single location or many locations. Reconcilers shall:

1. Perform manual or automated reconciliations
2. Compare all affected systems (contract writing, disbursement (entitlement), and accounting)
3. Answer inquiries regarding assigned contract reconciliations
4. Research differences and recommend/coordinate adjustments with affected systems (contracting, disbursement (entitlement) and accounting)
5. Prepare and submit the Reconciliation Adjustment Package, with all supporting documentation, to the RCRA in accordance with the requirements in Appendix E of this chapter.

E. Points of Contact

DFAS Centers and Operating Locations that do not have dedicated reconciliation offices shall establish POCs. Within the DFAS, RCRA's shall serve as POCs. Other locations performing contract reconciliation are highly encouraged to establish either RCRA's or POCs. The POC shall handle all inquiries concerning contract reconciliation at that location, including responding to requests for information and distributing information. The POCs at the DFAS Operating Locations can be contacted through the DFAS home page (<http://www.dfas.mil>), as follows:

1. Select "Money Matters" on the DFAS home page.
2. Select "DFAS Vendor Reference Tool/DSSN" on the Money Matters home page.
3. Select "Accountable Station" on the DFAS Reference Tool home page.
4. Enter the applicable Authorized Accounting Activity (AAA), Fiscal Station Number (FSN), or Accounting and Disbursing Station Symbol Number (ADSN) obtained from the contract, disbursement (entitlement), or accounting record.
5. Double click on the blue figure in the block "FSN/AAA/ADSN," to view the location, location address, and location POC telephone number.

CHAPTER 20**APPENDIX C****CONTRACT RECONCILIATION REGISTRATION SYSTEM PROCEDURES****A. General**

This appendix provides requirements for registering contracts that have been nominated for reconciliation. Each contract nominated for reconciliation shall be registered in the single DoD-wide database of contracts being reconciled. Guidance on completing a reconciliation request package follows.

B. Preparing a Reconciliation Request

If the review of an out-of-balance condition discloses that the discrepant condition involves more than one set of records or locations, a Reconciliation Request Memorandum (Figure C-1) shall be prepared to identify the reason for reconciliation, and the dollar amount of the problem. This request form shall be accompanied by a reconciliation request package that includes a detailed explanation of the steps the requester took to identify the discrepant condition and all applicable supporting documentation.

1. If the potential adjustments are known, identify the ACRNs, lines of accounting and the debit and credit issues involved.
2. Include applicable supporting documentation to substantiate the request and proposed adjustments. Example documents include:
 - a. Copies of the contract and modifications to support obligation adjustments.
 - b. Copies of contracts, modifications, vouchers, histories, or other entitlement information (e.g., but not limited to, CPN output, 110 listings, and FRS 7138 reports) to support disbursement (entitlement) adjustments.

RECONCILIATION REQUEST MEMORANDUM

(Sender's heading and address)

MEMORANDUM FOR: _____

SUBJECT: Reconciliation Request Form for:

Contract # _____

Contractor: _____

Region: _____

I have identified the discrepancy marked below and am submitting the attached supporting documentation and detailed explanation. I am requesting that a reconciliation be performed on the subject contract.

- ___ NEGATIVE UNLIQUIDATED OBLIGATION (NULO)
- ___ UNMATCHED DISBURSEMENTS (UMD)
- ___ OVERPAYMENT
- ___ CONTRACT INFORMATION
- ___ WORK IN PROGRESS ADJUSTMENT (WIP)
- ___ PROBLEM PAYMENTS (Insufficient Funds / Prevalidation Issues)
- ___ FAST TRACK CONTRACT CLOSE OUT
- ___ DRID RECONCILIATION

Dollar amount of the deficiency noted \$ _____

Please identify if this issue meets one of these criteria:

_____ relates to a possible Antideficiency Act violation.

_____ relates to a specific prevalidation action

Please register this contract and contact me if you need additional information.

Requester: _____

Organization Code: _____

Telephone (DSN): _____

Telephone (commercial): _____

Fax: _____

E-mail: _____

TO BE COMPLETED BY RCRA

Date Received: _____ Date Rejected/Processed: _____

RCRA Assigned _____ Reconciler/Code _____

Scope (circle one): Full or Limited Level of Effort (circle one) Low, Medium, High

ACRNs _____

Figure C-1

CHAPTER 20

APPENDIX D
RECONCILIATION TOOLSA. General

This appendix provides general information on computer-based contract reconciliation tools. The reconciliation process normally begins with a comparison among system databases to identify mismatches. Several computer-based tools are available, for use with the existing disbursement (entitlement) and accounting systems, to facilitate the comparison process. Functionality and system compatibility vary from tool to tool. Following is general information on the computer-based tools and the systems to which they relate.

B. Reconciliation Tools

The DFAS personnel performing reconciliations currently are using the unique reconciliation tools listed in Figure D-1. These tools compare summary and detail data from major procurement, accounting, and payment system databases. Points of contact and telephone numbers also are listed in Figure D-1.

The most recent and comprehensive computer-based tool is the Standard Contract Reconciliation Tool (SCRT). Until the SCRT is compatible with all accounting systems, other existing tools may be used, where necessary, to identify discrepant conditions (such as negative unliquidated obligations (NULOs)) and aid in their resolution. The SCRT, however, shall, in all cases, be the single DoD-wide registration database for contracts being reconciled. Further details on SCRT capabilities and instructions for system access and use are in the comprehensive DFAS guide, "Standard Contract Reconciliation Tool User's Guide," that is distributed to system users.

C. Points of Contact for Computer-Based Reconciliation Tools

	FULL NAME	DFAS CENTER/COMPONENT	SYSTEM(S)	POC/PHONE
ARS	Automated Reconciliation System	Denver/Air Force	CPAS/BQ	DFAS-Denver DSN: 926-7271 (303) 676-7271
ABS	Automated Balancing System	Cleveland/Navy	STARS-HQ	DFAS-Cleveland DSN: 580-5940 216) 522-5940
CRS	Contract Reconciliation System	Columbus	MOCAS	DFAS-Columbus DSN: 869-5262 (614) 693-5262
SCRT	Standard Contract Reconciliation Tool		CPAS, CCSS MISIL, MOCAS, SOMARDS, STARS-HQ	DFAS-HQ DSN: 327-0941 (703) 607-0941

PARSS	Payment Accounting Reconciliation SOMARDS Subsystem	Indianapolis/Army	SOMARDS	DFAS-Indianapolis DSN: 699-3203 (317) 542-3203
SA-ARS	Security Assistance - Automated Reconciliation System	Denver/FMS	MISIL	DFAS-Denver DSN: 926-8201 (303) 676-8201

Figure D-1

CHAPTER 20

APPENDIX E

**GUIDANCE ON PREPARING, REVIEWING, AND PROCESSING RECONCILIATION
ADJUSTMENT PACKAGES**

A. General

This appendix provides guidance on preparing, reviewing, and processing reconciliation adjustment packages, and monitoring, followup, and posting of proposed certified adjustments. The reconciliation adjustment package shall be reviewed and accepted by the RCRA before adjustment processing may occur.

B. Preparation

After the assigned reconciler (who may be the RCRA) completes a reconciliation, the results shall be consolidated in a reconciliation adjustment package that may include, as appropriate:

1. Documents. Contract, contract modification, vendor, funding, disbursement (entitlement) and accounting system documents and adjustment records (e.g., journal vouchers or SF 1081, "Voucher and Schedule of Withdrawals and Credits").

2. Summary Discrepancy Report. Reconciliation results shall be summarized in a Summary Discrepancy Report, or an equivalent, that identifies all required information. The reconciler shall list and record every affected ACRN/line of accounting and accounting office. A transaction number/control number(s) shall be entered so that the RCRA can monitor individual transactions or individual adjustment packages. Also, the related supporting documentation should be identified. If the adjustment package is prepared using SCRT, the Summary Discrepancy Report is not included in the package. Instead, include a screen print of the appropriate reconciled tab screen. Figure E-1 is an example of a Summary Discrepancy Report; it is followed by additional preparation guidance.

Summary Discrepancy Report

RCRA Name: Someone Smith, Anywhere OPLOC .			CONTRACT NUMBER HQ002495C0001					CONTRACT REGION X South	DATE PACKAGE PREPARED 25 December 1998			PAGE: 2 OF 5
CONTROL NUMBER	ACRN ADIMIS	LINE OF ACCOUNTING FY/APPROX/LIMIT	ACCTING STATION	ADJUSTMENT CLASS	ERROR CODE	TRANS TYPE	DEBIT	CREDIT	DOV#	SHIPMENT	SUPPORTING DOCUMENTATION	Remarks
	OBLIGATION for example											
1	AA	57 4 3080 0176	525700	3	EO14			50	20134		c- mod A0004	
	AA	17 6 1804 6578	000179				50					
3	AG	17 3 1611 8442	000421	3	EO13	2D		75			c P0034	
	AG	17 4 1611 8442	000421			2D	75					
4	HY	17 2 1804 5555	68342	2	EO07		35				Cp0021	canceld fund issue

Figure E-1

a. Adjustment Class. The reconciler reviews the applicable ACRN(s) to determine what type of adjustment is needed to balance the contracting, disbursement (entitlement), and accounting records. The reconciler should work with the responsible RCRA when making this crucial decision. Adjustments shall identify the ACRN and line of accounting being affected, and the accounting station involved. The reconciler determines the adjustment(s) debits and credits as well as the class each adjustment meets.

(1) Class 1 -- Accounting system(s) only adjustments. Adjustments correcting data only within one or more accounting system(s). The disbursement (entitlement) system data is correct.

(2) Class 2 -- Adjustments correcting data only in the disbursement (entitlement) system. All associated accounting data is correct.

(3) Class 3 -- Adjustments correcting disbursement (entitlement) and the accounting system(s). Use a class 3 when the same adjustment is required in both the disbursement (entitlement) and accounting system(s). This adjustment shall be processed through the disbursement (entitlement) system first and flow to the accounting via the normal process. Prepare and forward an SF 1081 to the disbursement (entitlement) system for processing.

(4) Class D -- Demand for payment action is required when there is evidence of an overpayment condition. Refer to subparagraph B.5 of this appendix for more details on demands for payment.

(5) Class R -- Refund action is required when a reconciliation determines that a contractor was not sufficiently paid. Refer to subparagraph B.5 of this appendix for more details on refunds.

b. Root Cause Error Codes. The reconciler/RCRA shall review each adjustment and determine what “caused” the error at the ACRN level. The first determination is in which set of records the error occurred (i.e., procurement, disbursement (entitlement), or accounting). The second determination is whether the error was an obligation issue or a disbursement issue. Based on these determinations, the reconciler/RCRA shall assign the appropriate 4-digit root cause error code(s) from Appendix F of this chapter.

c. Transaction Type Code. The column is used to enter Navy transaction type codes.

d. Voucher #. The column is used to enter the MOCAS voucher number.

e. Supporting Documentation. Each recommended adjustment shall be supported by relevant documentation that is part of the reconciliation adjustment package. The Supporting Documentation column is used to cross-reference proposed adjustments to the relevant documentation.

3. ACRN Summary Worksheet. The reconciler is required to prepare an ACRN Summary Worksheet to illustrate the recommended adjustment effects on the contract, disbursement (entitlement), and accounting systems. The ACRN Summary Worksheet validates each recommended adjustment resulting from the reconciliation and assists the RCRA in determining if the adjustments are properly described on the Summary Discrepancy Report. If the adjustment package is prepared using SCRT, then the worksheet is not included in the package. Instead, include a screen print of the appropriate reconciled tab screen. Figure E-2 is an example of an ACRN Summary Worksheet. The worksheet is followed by additional guidance regarding preparation.

ACRN SUMMARY WORKSHEET

CONTRACT/PIIN: DAA09E97C4444 SPIIN: _____
 RCRA/POC: NANCY SHACKLOCK DATE: 06/20/1999

	BEFORE ADJUSTMENT	THIS ADJUSTMENT	AFTER ADJUSTMENT
ACRN: <u>LK</u>			
A. CONTRACT/MOD. OBL.	\$100,000.00	\$0.00	\$100,000.00
B. ENTITLEMENT/MOCAS: (System: _____)			
1) OBLIGATION	\$100,000.00	\$0.00	\$100,000.00
2) DISBURSEMENTS	\$150,000.00	<\$50,000.00>	\$100,000.00
3) ULO(NULO)	<\$50,000.00>		\$0.00
C. ACCOUNTING: (System: _____)			
1) OBLIGATION	\$80,000.00	\$20,000.00	\$100,000.00
2) DISBURSEMENTS	\$150,000.00	<\$50,000.00>	\$100,000.00
3) ULO(NULO)	<\$50,000.00>		\$0.00

	BEFORE ADJUSTMENT	THIS ADJUSTMENT	AFTER ADJUSTMENT
ACRN: <u>JW</u>			
A. CONTRACT/MOD. OBL.	\$95,000.00	<\$20,000.00>	\$75,000.00
B. ENTITLEMENT/MOCAS: (System _____)			
1) OBLIGATION	\$95,000.00	<\$20,000.00>	\$75,000.00
2) DISBURSEMENTS	\$70,000.00	\$0.00	\$70,000.00
3) ULO(NULO)	\$25,000.00		\$5,000.00
C. ACCOUNTING: (System _____)			
1) OBLIGATION	\$75,000.00	\$0.00	\$75,000.00
2) DISBURSEMENTS	\$75,000.00	<\$5,000.00>	\$70,000.00

Figure E-2

a. Before Adjustment

(1) Heading. The self-explanatory information entered should match that on the Summary Discrepancy Report and the RCRA Acceptance and Cover Memorandum.

(2) ACRN. List the two-letter ACRN being adjusted.

(3) Contract Modification/Obligation. Enter the obligation balance derived from the contractual document(s).

(4) Disbursement (Entitlement)/MOCAS. Enter the name of the disbursement (entitlement) system applicable to the next three rows on the form.

(5) Accounting. Enter the name of the accounting system applicable to the next three rows on the form.

(6) Obligation. Enter the disbursement (entitlement) and accounting system obligations pertinent to each ACRN.

(7) Disbursements. Enter the disbursement (entitlement) and accounting system disbursements pertinent to each ACRN. Disbursements (entitlements) include financing payments plus delivery payments.

(8) ULO/(NULO). Compute the net of Obligation less Disbursements.

b. This Adjustment. This column depicts the adjustments from the Summary Discrepancy Report. Adjustments to “Contract/Mod Obl” are contract modifications and shall be processed through the ACO/PCO. Required contract modifications shall be identified and modification requests submitted at the earliest possible moment. If the requested correcting modification has been published prior to the completion of the reconciliation, then the dollar amount will be reflected in the “Before Adjustment” column. If the modification has not been published, then the dollar amount will be displayed in the “This Adjustment” column, with a copy of the request in the reconciliation adjustment package. The requested modification shall not be listed on the Summary Discrepancy Report.

c. After Adjustment. This column depicts the “to be” totals after all adjustments are processed through all the systems. It is the sum of the “Before Adjustment” and “This Adjustment” columns. For each listed ACRN, the “After Adjustment” dollar amounts for “Contract/Mod Obl,” Entitlement Obligation, and Accounting Obligation must be equal. The “After Adjustment” ULO/(NULO) total for both Entitlement/MOCAS and Accounting must be equal.

4. Fund Adjustments to Closed Accounts

a. Adjustment Approvals. Any changes to closed appropriations will be made only to correct errors. Adjustments to correct clerical or classification errors in closed year appropriations (see [Volume 3, Chapter 10](#) of this Regulation) require the RCRA to ensure coordination between the DFAS Center reporting the adjustments to the Department of the Treasury, the disbursement (entitlement) office (DFAS-CO), and the accounting office, prior to processing. The RCRA’s efforts in this regard should be entered as comments in the “Adjustments” section of SCRT and annotated on the RCRA Acceptance and Cover Memorandum (see Figure E-3).

(1) The RCRA shall obtain Military Department approval to use closed appropriations. Failure to obtain the required approval shall result in the entire reconciliation adjustment package being returned to the RCRA to rework the adjustments.

(2) If the adjustment package is prepared using the SCRT, the RCRA first shall “approve” the closed year adjustment to print the SF 1081 and then “disapprove” the same adjustment prior to saving the contract on the system. This will allow the RCRA to send a copy of the proposed SF 1081 to the appropriate location but, at the same time, prevent the adjustment from being sent to MOCAS. After receipt of approval from the DFAS Center/DoD

Component monitor, annotate the Approval Date, Approval Authority, and Control Number (if applicable) in the remarks section of the SF 1081. Include a paper copy approval in the final reconciliation adjustment package.

b. Coordination Points of Contact

(1) For Army lines of accounting:

(a) Prepare an SF 1081 with a detailed explanation of the adjustment and attach the Summary Discrepancy Report.

(b) Fax an unvouchered copy of the SF 1081 with supporting documentation to:

DFAS-IN/AAZ (Expenditure Support Team)
FAX: DSN 699-1353
DSN: 699-5140
TEL: (317) 549-5140

(c) Notify the RCRA of approval/disapproval by fax or telephone. Include a dated copy of the requesting fax plus notes on the approval when submitting the reconciliation adjustment package for processing.

(2) For Navy lines of accounting:

(a) Provide the DFAS-Cleveland Center Liaison Office in Columbus with the Summary Discrepancy Report, and an unvouchered SF 1081.

(b) Fax an unvouchered copy of the SF 1081 with supporting documentation to:

DFAS-CO/Cleveland Liaison Office
3099 E. Broad St, Bldg 21
Columbus, OH 43213-1152
FAX: DSN 869-8230
DSN: 869-6786
TEL: (614) 693-6786

(c) Within 30 days or less, the Cleveland Liaison Office shall provide (by fax) the acceptance memorandum. This faxed acceptance memorandum shall be attached to the adjustment package.

(3) For Air Force lines of accounting:

(a) Prepare an SF 1081 with a detailed explanation of the adjustment citing the date and number of the payment voucher that is being adjusted.

documentation to: (b) Fax an unvouchered copy of the SF 1081 with supporting

DFAS-DE/ADRA
Attn: Closed Account Monitor
FAX: (303) 676-8247
DSN: 926-8247
TEL: (303) 676-8237

(c) The Closed Account Monitor shall call the RCRA listed on the FAX cover sheet and assign a control number to be cited on the voucher in the explanation block (e.g., DFAS-DE Control Number – 121307). No other documentation is necessary if the voucher appears to satisfy the criteria for a closed account adjustment.

(4) For Marine Corps lines of accounting:

(a) Provide the Kansas City Contract Liaison Office in the DFAS-CO with the Summary Discrepancy Report or screen print from the SCRT, an unvouchered SF 1081, and both the absolute and net dollar totals for each ACRN.

documentation to: (b) Fax an unvouchered copy of the SF 1081 with supporting

DFAS-CO / Kansas City Contract Liaison Office
3900 E. Broad St, Bldg 21
Columbus, OH 43213-1152
FAX: DSN 869-8760
DSN: 869-4868
TEL: (614) 693-4868

(c) No other documentation is necessary if the voucher appears to satisfy the criteria for a closed account adjustment.

(d) Within 30 days or less, the Kansas City Contract Liaison Office shall provide (by fax) the acceptance memorandum. This faxed acceptance memorandum shall be included in the reconciliation adjustment package.

RCRA ACCEPTANCE AND COVER MEMORANDUM

DATE: _____

MEMORANDUM FOR: _____

SUBJECT: Reconciliation Adjustment Package : RCRA Acceptance and Cover Memorandum
on Contract #: _____
MOCAS Region: _____ North _____ South _____ West
CONTROL NUMBER: _____

This contract was reconciled in accordance with "DoDFMR" procedures in that all applicable contracting, entitlement, accounting records, and financing were reviewed and analyzed. As the Responsible Contract Reconciliation Agent (RCRA), I acknowledge that I am fully responsible for all adjustments and entitlements resulting from this reconciliation.

I have attached the required Summary Discrepancy Sheet and a copy of all the adjustments with identified supporting documentation to assist in the posting of these items to the applicable accounting and/or entitlement system. When these items are processed, please complete the lower section of this form and return via fax, e-mail, or postal service.

_____ (Yes) This package contains closed year adjustments. All supporting documentation is attached including the authorization letter or memo stating that the time requirement has lapsed with no reply.

_____ (No) This package does not contain closed year adjustments.

RCRA Name (Please Print): _____ RCRA Code: _____

RCRA Signature: _____
Date _____

DSN: _____ Commercial: (_____) _____ - _____ FAX: _____

E-MAIL: _____

=====

Please complete and return to the above RCRA. If you encounter a problem, please contact the RCRA listed above.

The adjustment package control number: _____

The Reconciliation Adjustment Package on the subject contract was accepted and processed IAW "DoDFMR" procedures on _____ (date) into the _____ system (s).

Processor Name (Please Print): _____

Processor Signature: _____

Commercial: (_____) _____ - _____ FAX: _____ E-MAIL: _____

Figure E-3

5. Refund or Demand for Payment

a. Refund. If the contractor was not sufficiently paid, or funds were overrecouped, the RCRA shall prepare and forward a refund package to the DFAS-CO, as follows.

(1) The RCRA shall contact the DFAS-CO's Accounts Receivable Section (DFAS-CO/JRRB) to determine whether the contractor has any outstanding demand letters. If there are outstanding demand issues, the RCRA shall note that within the refund package. (All demand letters shall be netted against any refund.)

(2) The DFAS-CO shall research the advice of payment and shipment information before a refund check is issued.

(3) The refund package should include but is not limited to:

(a) A detailed explanation identifying why the contractor needs to be paid.

(b) Copies of the MOCAS administrative screen and appropriate invoice or entitlement history screens.

(4) When the RCRA sends the refund package to the DFAS-CO, the action shall be considered closed. The RCRA shall monitor MOCAS to determine when the payment was made, and shall record administrative actions in the SCRT "Adjustments" comment field.

b. Demand for Payment. If an adjustment results in a NULO, and the RCRA has reviewed and determined that no other payment reallocations are appropriate or applicable, a demand for payment package shall be prepared in accordance with FAR 32.610, DFARS 232.6, and the following.

(1) The RCRA shall send the first demand letter to the DFAS-CO's MOCAS Accounts Receivable Section (DFAS-CO/JRR). The RCRA shall be the POC for any contract dispute related to the demand for payment. The DFAS-CO Accounts Receivable Section shall determine whether the demand letter should be sent to the contractor or if another method to correct the NULO is more advantageous.

(2) The demand for payment package shall be forwarded to DFAS-CO/JRRB and may include the:

(a) Demand letter (see Figure E-4)

(b) Detailed explanation of the indebtedness claim, including the specific dollar amount due and the ACRNs affected

- (c) MOCAS on-line administrative and contract data or applicable SCRT screen print
- (d) Accounting information or applicable SCRT screen print
- (e) MOCAS history or applicable SCRT screen print
- (f) MOCAS CLR or applicable SCRT screen print
- (g) ACRN Summary Worksheet or applicable SCRT screen print
- (h) Summary Discrepancy Report or applicable SCRT screen print.

(3) After the demand for payment package is sent to the DFAS-CO (DFAS-CO/JR), the RCRA shall continue to be the POC for any disputes. Copies of any related demand action shall be forwarded or e-mailed to the RCRA. (For SCRT users, the adjustment will be considered complete when the RCRA forwards the demand letter package to DFAS-CO/JR.SCRT.) The DFAS-CO shall process further account receivable action. Seven working days after sending the demand package to the DFAS-CO, the RCRA can review the MOCAS YINV Screen and see an “L” code, indicating that a letter has been issued and a Bill of Collection file initiated. The YINV screen will annotate the Bill of Collection number (BOC NO) under the Shipment column (see Appendix G of this chapter).

C. Review and Acceptance. The RCRA shall review each reconciliation adjustment package for accuracy, validity, and completeness, and either accept or reject the package.

1. The RCRA shall verify that information is current (to within calendar 30 days of submission), include the root cause error codes, and/or validate the sufficiency of the supporting documentation.

2. The RCRA may reject a reconciliation adjustment package from a reconciler for various reasons including, but not limited to, the following.

a. The proposed adjustment creates an adverse condition in one or more systems and needs to be researched further

b. There is insufficient documentation to support proposed adjustments

c. The proposed adjustments are invalid.

3. If the package is rejected, the RCRA shall return the package to the reconciler with an explanation and request for correction. A corrected adjustment package should be available to the RCRA within 3 workdays. Such issues should be recorded in the SCRT, if appropriate.

4. If the package is accepted, the RCRA shall prepare an RCRA Acceptance and Cover Memorandum (see Figure E-3).

5. If the SCRT was not used for the reconciliation, the SCRT also must be updated with reconciler completion date, the adjustment information (e.g., the error codes and adjustment class) and the RCRA acceptance date. (Note: If SCRT is used for the reconciliation, this is automatic.)

**DEFENSE FINANCE AND ACCOUNTING SERVICE
COLUMBUS CENTER
P.O. BOX 182317
COLUMBUS, OH 43218**

In reply refer to: DFAS-CO-JRRB

Contractor's Name:
Street Address:
City, State, Zip

Dear Sir or Madam:

Audit of your account on contract no. ___ Bill of Collection # ___ revealed that you are indebted to the United States government in the amount of:

Reason for debt:

Your check in the amount of \$ _____ payable to the Disbursing Officer DFAS-CO (include contract and Bill of Collection number) should be forwarded to:

Defense Finance and Accounting Service
ATTN: DFAS-CO-FPCA
P.O. Box 182249
Columbus, OH 43218-2249

If payment is not received within 30 days, interest shall be charged on the unpaid portion from the date of this letter at the rate established by the United States.

Under Public Law 92-41, the current rate is ___ percent per annum. In addition to charging interest, administrative offset action shall be initiated against any unpaid invoices in amounts sufficient to recover the amount of the debt. You are further advised that routine offsets, authorized under provision of FAR 32.611, may be taken at anytime, whether or not 30 days have elapsed since the date of this letter.

If you desire an immediate offset in lieu of mailing a check, you must notify the Accounts Receivable Section (ATTN: DFAS-CO-JRRB) in writing at the above letterhead address. Be advised, if invoices cannot be secured for offset within the 30-day period, interest shall be assessed as stated above.

Furthermore, if invoices sufficient to repay the debt are not secured for offset within the 30-day period and the amount is not repaid, you may be liable for civil and/or criminal prosecution for conversion of government property, and remedies available under the False Claims Act (31 U.S.C. 3729), which provides for treble damages and penalties.

In addition, you shall be assessed an administrative fee of \$26.00 to cover the costs specifically associated with the administration and collection of delinquent debt.

If you believe that the debt is invalid, the amount is incorrect, 0000000000 or you wish to submit a proposal for deferment of collection if immediate payment is not practicable, please contact this office immediately. Your explanation and supporting documentation should be mailed to:

Defense Finance and Accounting Service

DFAS-CO-JRRB
P.O. Box 182317
Columbus, OH 43218-2317

Sincerely,

Responsible Contract Reconciliation Agent

Figure E-4

D. Processing. After acceptance, the completed adjustment is ready for processing.

1. If multiple sites are involved, the RCRA shall send, to each site, only what is needed to process the request and properly document and support the adjustment(s).

2. The RCRA may assign a locally developed control reference number to each accepted adjustment package for ease in tracking.

3. The RCRA shall update the SCRT with the date the package(s) was sent for processing and, when applicable, the control reference number.

E. Monitoring. The RCRA shall monitor the accepted reconciliation package until the required action(s) is complete. If the SCRT is used and the involved accounting system(s) is interfaced, the SCRT shall be used for monitoring. If the SCRT is not used, or the accounting system(s) is not part of the SCRT, the RCRA shall take the following steps that are applicable.

1. MOCAS Adjustments. If the adjustment package was sent to the DFAS-CO/JR for processing, the RCRA should monitor MOCAS to determine the accuracy and timeliness of the package processing, and correction of the original problem. A MOCAS screen print can be used to determine that the adjustment has been processed, thus closing the issue. If the RCRA does not have access to the MOCAS, a completed Request for MOCAS Information (Figure A-1) should be sent to the identified POC. (Appendix G of this chapter depicts an abbreviated guide that may be used to assist in reviewing items within the MOCAS). The RCRA must annotate in the SCRT, the date the transaction was posted and record the voucher number or any other appropriate notation (i.e., the demand for payment/bill of collection number) for audit trail purposes.

2. Accounting Adjustments. If the package was sent to an accounting activity, the accounting activity is to complete the lower half of the RCRA Acceptance and Cover Memorandum and return it to the RCRA, noting when the adjustment(s) was processed. Upon confirmation that the adjustment(s) has been processed, the RCRA shall close the adjustment(s) in the SCRT.

3. For confirmation that the appropriate system(s) processed the adjustment(s) correctly, the RCRA may use the SCRT, the service unique compare tools, directly access the appropriate system, or rely on the RCRA Acceptance and Cover Memorandum. After all adjustments have been processed and confirmed, the RCRA shall close the reconciliation in SCRT.

F. Followup. If necessary, the RCRA shall issue followup memorandums progressively to higher levels of supervision until the adjustment is processed or the RCRA is notified of the reason for not processing the adjustment. Followup memorandums shall include a copy of the adjustment package annotated with "DUPLICATE". If, after three follow-up memorandums, no action is taken, the RCRA simultaneously shall notify the DFAS-CO/JR, the DFAS-HQ/AOC and the Center/Operating Location Director (or affected DoD Component senior financial manager if non-DFAS) of the problem.

G. Posting. The DFAS-CO/JR shall process disbursing record adjustments. The DFAS Center/Operating Location (or DoD Component senior financial manager) shall process “obligation and accounting system only” adjustments. The following paragraphs concern proposed adjustments that have been accepted by the RCRA that the receiving activity believes may be invalid or incorrect.

1. Upon notification that a proposed adjustment that has been accepted by the RCRA would create a discrepant condition, the RCRA shall take steps to resolve the issue. The reconciliation shall not be closed until all adjustments have been processed without creating additional discrepant conditions. If, however, the receiving activity disagrees with the adjustment, but it does not create a system problem, the receiving activity shall accept the adjustment and allow the RCRA to close the reconciliation. The receiving activity then may begin the contract review process described in section 2003, above.

2. MOCAS disbursement (entitlement) transactions, whether from a normal disbursement, collection, or adjustment, shall be processed in the accounting system as received. If a reviewer at the affected accounting office determines that the accepted adjustment transaction may be incorrect, then he or she shall post the transaction as received and begin the contract review process described in section 2003, above.

CHAPTER 20

APPENDIX F

ROOT CAUSE ERROR CODES

The RCRA shall review each adjustment and determine the cause of error at the ACRN level. The first determination is the set of records in which the error occurred (i.e., Code A--Accounting records; Code P--Procurement for contract records; Code E--Entitlements CAS/Vendor Pay Systems for disbursement records.). The second determination is to ascertain whether the error was an obligation or disbursement issue. Based on these determinations, the RCRA shall assign the appropriate 4-digit root cause error code, using the following guide (Figure F-1).

Root Cause Error Code Guide

Code	Element Issue		
	SOURCE		
A	Accounting		
P	Procurement		
E	Entitlements (MOCAS/Vendor Pay Systems)		
O	OBLIGATION	D	DISBURSEMENT
01	Basic/P Mod not received	01	Payment processed, but not posted
02	Basic/P Mod not processed	02	Wrong ACRN/APPN paid
03	Basic/P Mod processed incorrectly	03	Wrong PIIN/SPIIN paid
04	Contract/P Mod written incorrectly	04	Prior adjustment processed
05	Decreasing P Mod not processed	05	Wrong Transaction Type Code used
06	Decreasing P Mod created NULO	06	Duplicate payment
07	Duplicate Obligation	07	Void not posted
08	A Mod not received		
09	A Mod not processed	09	NULO due to Progress Payment
10	A Mod processed incorrectly	10	NULO by Payment/Adjustment
11	Decreasing A Mod not processed	11	NULO due to price reduction
12	Decreasing A Mod created NULO	12	Internal adjustment - remove/reverse
13	P Mod - bad line of accounting	13	Duplicate posting
14	A Mod - bad line of accounting	14	Under recoupment
15	Invalid obligation adjustment	15	Over recoupment
16	Fund code error (FY, APPN)	16	Audit guidance not followed
17	Inconsistency between P Mod and A Mod	17	Previous payment office error
		18	Contractor billing error
		19	Incorrectly reported internal adjustment
		20	Incorrectly reported external adjustment

Figure F-1

CHAPTER 20

APPENDIX G

QUICK REFERENCE GUIDE TO MOCAS APPLICATIONS

***Service Code		NAVY 4	AIR FORCE 2	ARMY/DLA 1/3
LOG ON	Directorate	DSSN	DSSN	DSSN
<u>FC0MOCG</u>	SOUTH	8558	8559	6356
<u>FC0MOCH</u>	NORTH	8565	8541	6469
<u>FC0MOCL</u>	WEST	8538	8560	6422

20 A - 1

YCU2 (OPEN CONTRACTS, MODS, CORRECTIONS) -Administrative Data, CLR Data, Line Item Data, Contracts By Contractor, Applied Modifications, DoDAAC Codes/Addresses

CONTRACT INFORMATION:

- 5 (Systems Inquiries)
- 12-(On-line Abstract Inquiry)
- X-by any of the following:
 - >Administrative Data(FSCM, Section, ACO Code)
 - >Address Data (Contractor's Name)
 - >Provisions Data (@ contract level)
 - >Remarks Data
 - >CCN Data (Contract Close-out Notice)
 - >Accounting Data (@ ACRN level)
 - >Line Item Data
 - >Shipment Data
 - >All Data Base Records
 - >Select Individual Records
- Fill in Contract #/SPIIN
- ENTER

MODS RECEIVED:

- 5-(Systems Inquiries)
- 7-(Applied Modifications)
- ENTER

CONTRACTS BY CONTRACTOR:

- 5-(Systems Inquiries)
- 9-(Contract By Contractor)
- Enter "FSCM" code from Administrative Data
- ENTER

DoDAAC CODES/ADDRESSES:

- ("Issued By" code from Administrative Data)
- 9-(ADRS Master Update)
- 9-(DoD Activity Inquiry)
- tab
- Enter DoDAAC @ "CAGE-DoDAAC" prompt (beginning with "N")

CONTRACT ADMINISTRATION REPORT (CAR) SECTION NUMBER CODES:

Section 1. Active Contracts

- > CAR Part A. Contracts on which the acceptance of supplies, performance of services, or work statement requirement is not complete.
- > CAR Part B. Contracts on which acceptance is not complete.
- > CAR Part C. Contracts on which Performance of delegated assignment is not completed

Section 2. Physically Completed Contracts

(Contracts requiring payment record reconciliation must remain in Section 2. An inter-office memorandum, letter or E-mail must be sent to the Office of the Comptroller/DFAS requesting assistance in closing out the contract. The ACO must ensure that contract closeout will occur in the required time frame specified by DFARS)

- > CAR Part A. Contracts on which Supplies and Services are completed and accepted, but Contract Administration Action is still required for closure.
- > CAR Part B. Contracts on which Acceptance is complete, but Final Invoice has not been paid.
- > CAR Part C. There is no Section 2.

Section 3. Dormant Contracts (Applies to CAR Part A only)

- > Contracts on which one of the following is pending: complete termination, partial termination (if the nonterminated portion of contract is physically complete), public law claim, dispute before a board of contract appeals, determination involving labor law, investigation by the Office of Special Investigations or the Federal Bureau of Investigation, litigation including tax matters, final disposition of contracts terminated for default, or the contingent value engineering payments.
- > The above definition covers each contract that is specifically listed in the litigation, or Armed Services Board of Contract Appeals (ASBCA) action, but not those that may be affected by the action. However, contracts that may be affected by litigation or ASBCA action, held by the same contractor or, in some cases, a different contractor (e.g., prime-sub relationship or precedence involved) may be transferred to Section 3 after file documentation and approval by the head of the applicable contract administration element.

Section 4. Payment Adjustment

- > This section consists of CAR Parts A and B prime contracts:
 - >> reopened by the finance office for payment adjustments and/or collections, and
 - >> contracts mechanically moved from Section 5 to Section 4 during month end processing due to ULO balances on the CLR.
- > CAR Part C. There is no Section 4.

Section 5. Closed Contracts

- CAR Parts A and B. Contracts closed during the reporting period.

Sections 6 & 7. There are no report sections 6 & 7.

- > CAR Part C. Single/multi assignments completed during the reporting period.

Section 8. A computer generated section number assigned during end-of-month processing, for all contracts that were assigned to CAR Section 5 during the month.

Section 9. A computer generated section number assigned during end-of-month processing, for all contracts that are in Section 8. On a monthly basis the system reviews all Section 9 contracts to determine if the closed date is equal to or greater than 6 months old. If the closed date is greater than 6 months old, the contract and inventory level data will be deleted from the CAR database.

YCPM (CONTRACT PAYMENT MODERNIZATION)**Obligation and Disbursement History, Accounts Receivables Information****ON-LINE CONTRACT HISTORY:**

7- (Financial Data Entry Menu)

7- (Contract Payment & Reporting Menu)

A-(Contract OBLIGATION History)

*Posting of Obligor Documents, or

B-(Contract DISBURSEMENT History)

*Posting of disbursements/adjustments- \$ Amount, ACRN, LOA/Appropriation,
Type of Transaction, DOV#, Shipment #, Transaction Date.

C-(Contract Obligation & Disbursement Inquiry Menu), or
REMOTE ORDERING OF HISTORIES

at Function: enter C then press tab

at Batch ID: enter a six-digit code (alpha and/or numeric)

ENTER

at Routing Code: enter the two-digit alphanumeric code located just below Division Name

at Requester: enter your command and your name (No spaces in between , 14 spaces allowed) then press tab

at PIIN enter contract number

at SPIIN: if a delivery order applies enter here

at ACRN: enter Y

at CLIN: enter N

ENTER (repeat above steps starting at Routing Code for as many contracts as you have to order)

Go back to Contract Obligation & Disbursement Inquiry Menu

at Function: enter an X, tab to Batch ID

at Batch Id: re-enter the seven-digit batch ID you previously used

ENTER (at bottom of the screen it should say "Batch has been completed")

Complete a MOCAS Inquiry form indicating the date you ordered the history and fax or e-mail it to the JR

D - Accounts Receivables Issues

select K - Debt Record Inquiry, Enter. Then enter PIIN or BOC/Bill of Collection Number.

YINV (INVOICE INQUIRY) / DEMAND LETTER

1 - (Invoice for specific shipment),tab

Enter Contract #/SPIIN, tab

opt. - Specify shipment #

ENTER

OR

2 - (All invoices received for contract),tab

Enter Contract #/SPIIN

ENTER

Review shipment numbers found on screen 1 and/or 2. If the shipment number starts with "BOC" then there was a Demand Letter issued.

YCA1 (REVISED DELIVERY FORECAST) - ACO Names and Phone Numbers

L-(Buyer Inquiries Master menu)

K-(Identify ACO with "ACO CD" from Administrative Data Tables Inquiry-UNKP47)

Enter TB0044 @ "TABLE ID ENTER"