



UNLIQUIDATED OBLIGATIONS (ULO) PROCEDURE REVIEW

PREPARED BY APHIS/MRPBS/FMD/FOB/FOST

JANUARY 2017



SUMMARY

- Background
 - DR 2230-001, Reviews of Unliquidated Obligations Procedures
- Roles and Responsibilities
- ULO Shared Drive Maintenance
- Monthly Monitoring of ULO
- Quarterly Certification of Unliquidated Obligation History (UOH)
- Definitions & References

Background

- In accordance to DR 2230-001¹, reviews of unliquidated obligations (ULO) are necessary to:
 - properly report obligation balances
 - certify the validity of obligated balances
 - make funds available that otherwise would not be used
 - reduce the risk of misuse and theft of funds
 - and improve the Treasury Department's ability to forecast outlay and borrowing needs.
- APHIS has 4 potential audits of the Unliquidated Obligation History (UOH) & Relocation History (RELO) that may be conducted during each quarter.
 1. All open obligation samplings are being done by the Review and Analysis Branch, Financial Management Division, in regards to the APHIS Corrective Action Plan (CAP) Review.
 2. All open obligations with no activity for at least 12 months due to the Department and signed by the APHIS Chief Financial Officer (CFO) in regards to the USDA Directive.
 3. All open obligations with no activity for at least 12 months sampling is done by the Department Internal Auditors staff.
 4. All open obligation samplings may be conducted by the Office of Inspector General (OIG).

¹DR 2230-001: https://www.ocio.usda.gov/sites/default/files/docs/2012/DR-2230-001%20Unliquidated%20Obligations_1.pdf

Overview of Departmental Regulation 2230-001 - Unliquidated Obligations Procedures

- Identification: Financial personnel will produce quarterly reports on unliquidated obligations from the financial management system for review.
- Review of Obligations: Program and procurement personnel will review unliquidated obligations selected to determine whether delivery of goods or services or performance is expected to occur.
- Determination: The review should disclose unliquidated obligations:
 1. That do not have a legal basis, or are not properly authorized and supported by appropriate documentation;
 2. Which have been completed and have not been closed out; and
 3. Under which no future expenditures are expected.

Continued Departmental Regulation 2230-001 - Unliquidated Obligations Procedures

- Deobligation: Appropriate agency-designated personnel will cancel or adjust the unliquidated obligations in the financial management system, based on the written notification from program and/or procurement personnel. Copies of the supporting documentation should be retained according to the records retention on the References Slide.
- Certification: The CFO, or equivalent, for each agency must submit a certification to the Office of the Chief Financial Officer (OCFO) by the dates outlined below.

PERIOD	CERTIFICATION DATE
October 1- December 31	January 31
January 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – September 30	October 31



Roles and Responsibilities

- It is a shared responsibility of all program, procurement, and financial managers with obligation authority to ensure that agency funds are obligated properly and managed effectively.
- This includes routine monitoring and timely adjustment of obligations for which the office is responsible.
- Supervisory officials should ensure that appropriate and timely execution of these responsibilities are reflected in the performance plans of all program, procurement, and financial managers with obligation authority and are assessed in formal performance evaluations.
- The ULO Leads will be responsible for continuous monitoring and deobligation of ULO activity and reporting.

ULO Shared Drive Maintenance

Saving ULO and Obligating Documents

- The ULO Shared Drive for reports and saving documents is located at:
\\mdrdfs11\ulo ²
- By using an electronic submission within a shared network drive it is anticipated to streamline and accelerate the review process. Original obligation documents are **required** to be saved/filed to support the validity of the open obligation.
- Each program should have a folder for each month. The complete folder can be resaved so that the old documents are still there, new documents can be added and old liquidated documents can be removed.

² E-Mail FOST@APHIS.USDA.GOV for access to ULO Shared Drive

Monthly Monitoring of ULO

- The monthly monitoring of the ULO partially fulfills the DR 2230-001 requirements. Each month, Agency Fund Holders, or his/her designee, should conduct internal reviews and follow-up on their unliquidated obligations. Obligations should be de-obligated, as appropriate, unless there is a documented bona-fide purpose for the obligation to remain open.
- File your reports on the ULO Shared Drive to be accessible in case of an audit.

Detailed Quarterly UOH Certification procedures is presented in a separate PPT and/or guide on the FMD Quick Reference Page

Quarterly 12 Months No Activity Report - Responses

- An e-mail will be sent on a quarterly basis to ULO leads to request a response for any open balances with no activity reported in the last 12 months by a specific date. The information compiled will be reported to OCFO.
- The ULO lead will review their program's funds center and provide a response to the questions listed in the worksheet to identify any activities that need to be researched or deobligated as accurately as possible.

Detailed Quarterly 12 months no activity report responses procedures is presented in a separate PPT and/or guide on the FMD Quick Reference Page

Quarterly UOH Certification

- An e-mail will be sent on a quarterly basis to ULO leads to complete the UOH certification. The certification requirement is fulfilled when the Agency Fund Holders or designee reviews, certifies, and submit a signed unliquidated obligations report to Financial Management Division (FMD) each quarter in January, April, July, and October. Fund Holders, or his/her designee will be notified of exact due dates for each quarterly report.

Detailed Quarterly UOH Certification procedures is presented in a separate PPT and/or guide on the FMD Quick Reference Page

Example: Quarterly UOH Certification Submission

Part 1 of 2 – UOH Certification with Signatures

Animal and Plant Health Inspection Service Quarterly Certification of Un-liquidated Obligations As of March 31, 2016

I certify that a review of un-liquidated obligations for MRPBS, Human Resources Division was performed in accordance with APHIS policy, and that the un-liquidated obligations existing as of the date specified are valid based on the review.

Obligations without activity for the past twelve months or that are no longer valid will be deobligated in accordance with proper procedures, except for those listed on the attachment. Each of these has a bona-fide purpose for remaining open and includes a written justification for the period of inactivity.

Digitally signed by MARILYN HOLLAND
DN: c=US, o=U.S. Government, ou=Department of Agriculture, cn=MARILYN HOLLAND,
09.2342.19200300.100.1.1=1200100001291
Date: 2016.04.26 13:52:37 -0400

MARILYN HOLLAND
Deputy Administrator, Marilyn Holland
4/26/2016
Date

Digitally signed by MICHAEL WATSON
DN: c=US, o=U.S. Government, ou=Department of Agriculture, cn=MICHAEL WATSON,
09.2342.19200300.100.1.1=1200100001158
Date: 2016.04.27 09:42:33 -0400

MICHAEL WATSON
Division Director, Michael T. Watson
4/26/2016
Date

Digitally signed by VALERIE NWAJOJEI
DN: c=US, o=U.S. Government, ou=Department of Agriculture, cn=VALERIE NWAJOJEI,
09.2342.19200300.100.1.1=1200100001158
Date: 2016.04.27 09:42:33 -0400

VALERIE NWAJOJEI
Budget Analyst, Valerie Nwaojei
4/26/2016
Date

Part 2 of 2 – ULO Report with Budget Analyst Signature

Agency	Activity	Activity Code	Activity Description	Activity Type	Activity Date	Activity Amount	Activity Balance	Activity Total	Activity Total
USDA DEPARTMENTAL ADMINISTRATION	Info USDA PO	03/27/2015			384	1.1	208,436.00	202,159.88	6,326.12
GRADUATE SCHOOL	Service/Value-based	03/22/2016			23	0.1	5,156.00	0.00	5,156.00
FOREIGN SERVICE INSTITUTE	Service/Value-based	03/25/2015			385	1.1	210.00	0.00	210.00
GRADUATE SCHOOL	Service/Value-based	03/02/2016			43	0.1	2,898.00	0.00	2,898.00
NATIONAL FINANCE CENTER	Info USDA PO	05/02/2014			713	2.0	7,500.00	4,700.00	2,800.00
FOREIGN SERVICE INSTITUTE	Service/Value-based	03/25/2015			385	1.1	210.00	0.00	210.00
GRADUATE SCHOOL	Service/Value-based	03/02/2016			43	0.1	1,496.00	0.00	1,496.00
USDA DEPARTMENTAL ADMINISTRATION	Info USDA PO	04/07/2013			661	2.7	25,400.00	25,129.60	268.80
USDA DEPARTMENTAL ADMINISTRATION	Info USDA PO	11/23/2015			143	0.4	159,040.50	155,464.28	3,555.74
USDA DEPARTMENTAL ADMINISTRATION	Info USDA PO	04/11/2016			3	0.0	194,247.50	0.00	194,247.50
GOLDEN KEY GROUP, LLC	IAS Purchase Order	03/21/2016			24	0.1	611,645.78	585,000.00	226,645.78
COMSKIL, INC	IAS Purchase Order	01/04/2015			402	1.3	2,448.20	0.00	2,448.20
LYNETTE YOUNT ASSOCIATES, INC	IAS Purchase Order	03/25/2015			202	0.6	2,800.00	0.00	2,800.00
GOLDEN KEY GROUP, LLC	IAS Purchase Order	03/15/2016			14	0.0	368,780.60	0.00	368,780.60
GOLDEN KEY GROUP, LLC	IAS Purchase Order	03/21/2016			24	0.1	179,000.00	61,318.67	117,681.33
GOLDEN KEY GROUP, LLC	IAS Purchase Order	03/10/2016			35	0.1	368,196.80	281,156.75	77,000.05
					X	X	6,265,636.26	7,507,583.26	1,344,043.01

Filters
 and Funds Co APHIS*
 USDA_A_LALAP*, AP00_SAP*, AP00_SAP*, BE00_X01AP*, BE00_X02AP*,
 +009C016
 v Period AP00 ANNUAL/PLANT HEALTH INSP SVC
 r Variant Oct - Sept, 4 special periods
 US DEPT OF AGRICULTURE
vic Filters
 g Doc Type IGovTrip Travel Comm

Digitally signed by VALERIE NWAJOJEI
DN: c=US, o=U.S. Government,
ou=Department of Agriculture,
cn=VALERIE NWAJOJEI,
09.2342.19200300.100.1.1=1200100001158
Date: 2016.04.26 13:52:37 -0400

VALERIE NWAJOJEI

The submission is considered incomplete if any portion is missing signature(s) or not submitted

Definitions and References

- Agency Fund holder: Any Agency manager or supervisor that receives a budget allocation.
- Retention: Program offices must retain reports, records, and certifications of unliquidated obligations reviewed for audit purposes.
- Unliquidated Obligation: The balance remaining from the amount of orders placed; contracts or other binding agreements awarded; or services rendered after making any payments or processing deobligations. Unliquidated obligations consist of undelivered orders and accounts payable.
- ULO Monitoring also referenced in following directives:
 - Federal Acquisition Regulation (FAR) Subpart 4.804
 - 7 CFR Part 3016, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
 - 31 U.S.C, Section 1501, Documentary Evidence Requirement for Government Obligations
- Detailed procedures and steps for the monthly review and quarterly certification is presented in a separate PPT and/or guide on the [FMD Quick Reference Page](#).

Questions



Please direct your ULO questions to fost@aphis.usda.gov