AFM – Accounting Policy Memo: 2003-1.

Internal Guidance Memo

To: Regional, Center Accounting Offices and Washington Accounting Operations Division, AFM-200.

From: Director, Office of Financial Management, AFM-1

Date: 4/15/2003

Re: Policy pertaining to the deobligation of Prior Year TDY (temporary duty) travel orders and other outstanding TDY obligations.

DATE Distributed: March 10, 2003

Background:

This policy applies to all regions, centers and Washington headquarters accounting offices. TDY travel orders by definition have a short life. A TDY order is for a specific period and a specific purpose. Consequently, its validity is questionable after a reasonable period of time. Program offices do not routinely notify the accounting offices to cancel remaining balances of TDY orders and likewise accounting offices are not always staffed to conduct an exhaustive monthly review and follow up on their outstanding TDY travel obligations. An analysis showed that 78% of travel orders have been outstanding for 5 months, but 22% have been outstanding for 6 months or more with some outstanding for more than 14 months.

Effective Date: This policy is effective immediately.

In order to expedite DELPHI conversion and the validation of outstanding travel orders prior to October 2003, a policy for the accounting treatment of outstanding TDY travel orders is hereby implemented. All prior year outstanding travel orders (obligations) will be considered invalid 120 days after the end of the fiscal year. Prior year obligations will be automatically de-obligated prior to the end of the 5^{th} monthly reporting period. All other TDY travel orders that are issued during the fiscal year will be automatically de-obligated after 120 days from the later of the ending date of travel or the effective date recorded in the accounting system. Accounting offices should review orders as they are received to make sure that the correct ending date of travel is recorded in the accounting system.

As part of DELPHI conversion efforts, several reports were analyzed to determine what actions could be taken to more expediently prepare for DELPHI and to minimize the conversion effort at year-end. There are also fund control benefits to the policy in that prior year funds should not continue to be obligated after the period of performance has passed. In addition, if obligations are canceled on a timely basis, additional funds will become available.

This de-obligation process does not preclude normal manual de-obligation prior to the 120-day cycle. It applies to normal TDY orders that are created both regionally and cross-regionally.

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for David M. Zavada