DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

REPLY TO
ATTENTION OF

JUL 25 2006

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Year-End Closing Procedures for Fiscal Year 2006 (FY 06)

1. This memorandum provides guidance for processing requisitions during the period 26-30 September 2006 and for the FY 07 Federal Logistics (FEDLOG) price update.

2. Final routine supply requisitions will be processed on 26 September 2006, to ensure end-to-end processing through supply and financial systems. Although supply and financial systems will remain operational through 30 September 2006, no routine requisitions will be processed after 26 September 2006. High priority requisitions that meet a bona fide FY 06 need and are initiated after 26 September 2006 must be manually processed through the supply and financial systems to ensure that the obligations properly cite FY06 funds. For Fuels Automation System (FAS) transactions generated 28-30 September 2006, an obligation must be recorded via a Miscellaneous Obligation Document (MOD) on 30 September 2006.

3. Deployed and deploying units directly funded for and supporting operations in Iraq, Afghanistan and the Global War on Terrorism (GWOT) may continue to process automated or manual requisitions which fill a bona fide need of FY 06 after 26 September 2006. Documentation must be provided to the resource manager for these requisitions. Commanders are responsible for determining that the items requisitioned support these contingencies. The MODs may be used in situations where transaction volume exceeds manual processing (walk-thru) capabilities. The MODs may be processed at summary level but must be supported by a discrete document number for each requisition. All MODs, to include those for FAS transactions, will be reversed and replaced with individual obligations at the transaction level of detail prior to October 2006 financial month-end.

4. The Operations and Maintenance, Army (OMA) balances are tight; all commands must manage their funds closely. The U.S. Army Budget Office's analysis of OMA unliquidated obligations indicates the potential for substantial deobligations, especially in the supplies/equipment and travel/transportation accounts. Action must be taken now to review unliquidated obligations and cancel any obligations that are no longer valid. Delay low priority, non-essential requisitions wherever practical. All steps taken to reduce FY 06 OMA obligations will enhance the Army's ability to continue the support to GWOT and maintain the momentum toward achieving the Army Campaign Plan.

5. All U.S. Army Working Capital Fund (AWCF) accounts and consumer funded activities will update financial records reflecting FY 07 FEDLOG prices on 1 October 2006. Activities currently on Funds Control may process the Catalog Monthly Report to determine the effect the price changes will have on obligations and use that data as supporting documentation for a MOD. Sites not processing under Funds Control must fund obligation increases with FY 06 deobligations. A price increase of 4.4 percent is anticipated for FY 07.

6. The above actions are necessary to ensure the efficient close of FY 06, support for deployed Soldiers, and to preclude imbalances between the AWCF and consumer funded accounts. Commanders and resource managers at all echelons of command must implement sound fiduciary and stewardship practices and comply with fund control procedures outlined in Defense Finance and Accounting (DFAS) Regulation, DFAS-IN 37-1.

7. Points of contact are Steve Dare, Office of the Deputy Assistant Secretary of the Army (Financial Operations), (703) 693-2787, DSN 223-2787, or e-mail: Steve.Dare@hqda.army.mil ; and Jesse Mason, Office of the Deputy Chief of Staff, G-4, (703) 692-9574, DSN 222-9574, or e-mail: Jesse.Mason@hqda.army.mil.

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