



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
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IN REPLY REFER TO

NAVSEAINST 7130.2
Ser 01P2/074

29 Jun 00

NAVSEA INSTRUCTION 7130.2

From: Commander, Naval Sea Systems Command

Subj: POLICY AND PROCEDURES FOR PERFORMING REVIEWS OF
AGED OUTSTANDING COMMITMENTS

1. Purpose. To outline the policy and procedures for reviewing aged outstanding commitments at both Naval Sea Systems Command (NAVSEA) headquarters and field activities posting to the Standard Accounting and Reporting System/Headquarters Claimant Module (STARS/HCM).

2. Background. The timely review of outstanding commitments is critical in today's resource constrained environment. Frequent commitment reviews are necessary to verify that obligations are recorded in a timely fashion in STARS/HCM. Consequently, the focus of these reviews is to determine if a commitment is still valid and whether these commitments have been obligated and should be recorded as such in STARS/HCM. As a general rule, reimbursable orders should be accepted (obligated) within three weeks of issuance. Funding accepted on direct cite documents generally take longer to obligate, but funding should be obligated within three months after the acceptance of the direct cite document.

3. Action. To make the aged outstanding commitment review an effective financial management process, the following NAVSEA organizations will perform the actions identified below.

a. NAVSEA 01P will:

(1) Provide a monthly report of aged outstanding commitments over \$100 thousand to NAVSEA program offices, Program Executive Offices (PEOs), and Direct Reporting Program Managers (DRPMs). This report will age commitments into three months, three to twelve months and over twelve months old categories. The report will not list funds committed on headquarters contracts as these transactions are exempt from the monthly review.

(2) Provide a monthly report of outstanding commitments over \$5 thousand and over 30 days old to NAVSEA field activities that post to STARS/HCM and are responsible for recording obligations.

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(3) Develop and maintain a set of headquarters level metrics that can be used as a tool to track progress in reducing outstanding commitments. These metrics will be posted to the NAVSEA corporate Intranet web page at [Http//corp.navsea.navy.mil](http://corp.navsea.navy.mil) on a monthly basis.

(4) Serve as the Command's central point of contact for the review of aged outstanding commitments and assist in identifying and correcting any situations that might delay the recording of valid obligations.

b. NAVSEA 01 Budget Divisions will:

(1) Promptly record any decommitment or obligation transactions in STARS/HCM.

(2) Identify and document any impediments to reducing outstanding commitments and forward this information to NAVSEA 01P for assistance in resolving these matters.

c. NAVSEA Program Offices/PEOs/DRPMs will:

(1) Review the monthly outstanding commitment report to determine if the commitments cited in the report are still valid, if the individual amount for each commitment is accurate, and whether or not any commitments have been obligated and should be recorded as such in STARS/HCM.

(2) Provide the appropriate NAVSEA 01 budget division with the requisite documentation necessary to either decommit or obligate funds in a timely manner. For example, obligations should be recorded within 10 calendar days following the date the obligation is incurred.

(3) Identify and document any impediments to reducing outstanding commitments and forward this information to NAVSEA 01P for assistance in resolving these matters.

d. NAVSEA field activities will:

(1) Review the monthly aged outstanding commitment report to determine if the commitments cited in the report are still valid, if the individual amount for each commitment is accurate, and whether any commitments have been obligated that should have been recorded in STARS/HCM.

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(2) Take the necessary steps to either decommit or obligate funds in a timely manner. For example, obligations should be recorded in STARS/HCM within 10 calendar days of occurrence.

(3) Identify and document any impediments to reducing outstanding commitments and forward this information to NAVSEA 01P for assistance in resolving these matters.

4. Effective Date. This instruction is effective upon issuance.



**T. F. MCGUIRE
COMPTROLLER/
DEPUTY COMMANDER**

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