

## Chapter 19

## UNDELIVERED ORDERS OUTSTANDING (UOO)

**19-1. UOO Policy.** The policy regarding UOO (obligations) is in DFAS-DE 7000.4-R (formerly AFR 170-8). This regulation prescribes uniform criteria for administering and recording all types of obligations and sets the standards for determining adequate documentary support and amounts to be recorded. Guidance in DFAS-DE 7000.4-R supersedes any conflicting instructions in this regulation pertaining to the administration and recording of obligations. Record obligations promptly in the month incurred regardless of whether or not funds are available.

**19-2. Definition of Term.** An undelivered order outstanding (UOO) is the second stage in accounting for allotments and operating budgets. A UOO is an obligation for the value of goods or services ordered but which have not been received. For this reason, a liability for payment has not occurred. When goods or services are received and liability for payment occurs, the obligation moves to either the accrued expenditure unpaid (AEU) or accrued expenditure paid (AEP) stage.

**19-3. Documentation Requirements.** DFAS-DE 7000.4-R defines the documents evidencing obligations to post in the accounting records. Transactions move to either accrued expenditures unpaid (AEU) or paid (AEP) on documented receipt of the materiel or services ordered. Adjust the UOO balance as each (or a partial) transaction moves to the AEU or AEP stage or is canceled. A UOO may be paid before the materiel is received or services are completed, in which case the transaction would move from UOO to AEP. Such payments constitute advances and should be reported in the RCS: HAF-ACF(M)7184(DT) report per DoDFMR, Volume 6.

**19-4. Relationship to Total Obligations.** Consider all stages (after the unobligated commitment stage) in the process of accounting for funds to determine gross obligations: AEP plus AEU plus UOO equal total obligations.

**19-5. Reconciliation and Validation.** Reconcile unliquidated obligation (ULO) documents to ledger balances at least quarterly as prescribed in DFAS-DE 7000.4-R. Valid statistical sampling techniques may be used to review high volume, small dollar transactions as outlined in DFAS-DE 7000.4-R. Review unliquidated obligations at least quarterly to confirm validity and cancel, adjust, move to accrued expenditure stage, or retain in present status as necessary. (In automated systems, use the open document listing to accomplish this reconciliation.) Maintain a worksheet to accumulate the dollar amounts of ULOs reviewed and ULOs deobligated throughout the fiscal year by FC, FY, and OAC. See DoDFMR, Volume 6 and DFAS-DE 7220.1-R (formerly AFR 170-9).

**19-6. Adjustments to Prior Year UOO.** The accounting system for operations requires the amount of prior fiscal year UOO, included in the certified gross obligations of operating budgets as of 30 September, be carried forward (beginning UOO) and their migration into expense separately tracked in the current OBY. Record increase adjustments to prior year UOO, that are within the scope of prior year contracts, in prior FY/current OBY records.