DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERM-B

15 April 1997

MEMORANDUM FOR Commanders and Directors, All USACE Commands

SUBJECT: Supplemental Guidance on Carryover S&A

1. References:

a. Memorandum CERM-B, 23 October 1996, subject as above.

b. Memorandum CERM-B, 5 December 1996, subject as above.

2. This memorandum provides further guidance related to subject issue.

a. In cases where you have an FY96 or prior year order being carried over to completion in FY97, the customer should have already furnished the equivalent FY97 funds to cover your total estimated S&A and other in-house costs to be incurred in FY97. Those funds were to be obligated in full upon receipt.

b. Regarding situations where one has an open FY96 or prior order but the completion date of the work occurs beyond FY97: some customers have preferred to issue only the FY97 increment of S&A and other in-house costs, whereas others have decided to issue the full amount of the estimate (for S&A and other in-house costs) to complete the entire order. Either option is permissible, but for both options you will obligate the full amount upon receipt.

c. Economy Act procedures require ordering agencies (our customers) to deobligate those amounts of the orders to the extent that the performing agencies (ourselves) have not incurred obligations before the end of the availability of the appropriations cited on the order(s). Using these "carryover S&A" procedures, you will have already obligated by 30 September 1997 the full amount of the order(s) with the exception of the contingency balances. Should you and the customer agree in writing that this unobligated balance is valid and should be retained for possible in-scope contract changes, this memorandum is your authority to retain those agreed-to contingencies. In effect then this procedure can eliminate the burden of writing down and writing up orders around fiscal-year end.

3. POC here is Dale G. Ringer, 202-761-0658.

FOR THE COMMANDER:

Otis Williams

OTIS WILLIAMS
Colonel, Corps of Engineers
Chief of Staff