



DEPARTMENT OF THE NAVY
COMMANDER, NAVY INSTALLATIONS COMMAND
716 SICARD STREET, SE, SUITE 1000
WASHINGTON NAVY YARD, DC 20374-5140

CNICINST 4200.1C
N8
10 January 2012

CNIC INSTRUCTION 4200.1C

From: Commander, Navy Installations Command

Subj: GUIDANCE ON UNAUTHORIZED COMMITMENTS AND VOLUNTARY
CREDITOR ACTIONS

Ref: (a) Federal Acquisition Regulations 1.601
(b) Federal Acquisition Regulations 1.602
(c) Navy Marine Corps Acquisition Regulation
Supplement 5201.602-3
(d) NAVSUPINST 4200.81E
(e) NAVFAC Business Management System S-17.6.7
(f) NAVSUP/NAVFAC/CNIC Memorandum of Understanding
4400 Ser 00/013 of 20 Jul 2004
(g) NAVSUP/NAVFAC ltr 4200 SUP 029/7005 07-01 of 20 Oct
2006
(h) 28 CFR 50.15
(i) DoD Directive 5500.07 of 29 Nov 2007
(j) 5 CFR 2635
(k) 10 U.S.C. § 801-946
(l) 31 U.S.C. § 1341
(m) DoD Guidebook for Miscellaneous Payments, 30 Jun 2008
(n) DFAS-IN 37-1 of Jan 2000
(o) U.S. GAO memo B-206236 of 1 Jun 1983, 62 Comp Gen 419

Encl: (1) Definitions
(2) Unauthorized Commitments Guidelines
(3) Unauthorized Commitment Ratification Procedures
(4) Sample Memo, Letter, and Endorsements
(5) Voluntary Creditor Procedures
(6) Training Ratification Procedures

1. Purpose. To provide substantial revision of the unauthorized commitment (UAC) process. This instruction provides greater detail on the information necessary for the ratifying official's use as well as identifying the material weakness and corrective action taken. It adds guidance and

procedures for processing voluntary creditor reimbursements and training ratification requests. This instruction applies to all Commander, Navy Installations Command (CNIC) Headquarters (HQ), regions and installations.

2. Cancellation. CNIC Instruction 4200.1B dated 4 Aug 2009.

3. Background

a. All personnel should exercise the utmost care to avoid making UACs or becoming voluntary creditors (see enclosure (1) for definitions). UACs and voluntary creditor actions are:

(1) Detrimental to the Government's relationship with contractors.

(2) Time consuming and expensive to process.

(3) May result in violation of laws regarding administrative control of funds.

b. Any individual who commits the Government financially and without proper authority does so at his or her own risk and responsibility. As a matter of law, the Government is not liable for UACs and is not required to ratify or reimburse any individual for such unauthorized actions. To preclude problems inherent in UACs, employees need to understand the limitation in authority to commit the Government to purchases or contracts. Enclosure (2) provides guidelines to avoid UACs and lists some common examples. Enclosures (3) and (4) provide procedures and formats for the general ratification process. Enclosure (5) provides guidance and procedures for a voluntary creditor reimbursement request. Enclosure (6) provides guidance and procedures for a training ratification request (defined in enclosure (1)).

4. Policy

a. In accordance with references (a) and (b), contracts may be entered into and signed on behalf of the Government only by warranted contracting officers and Government Purchase Card (GPC) holders operating within their written authority. Contracting officers have the responsibility to ensure all requirements of law, executive orders, regulations, and other

applicable procedures, including clearances and approvals, have been met. In the event an employee who is neither a warranted contracting officer nor a GPC holder creates a contractual obligation on behalf of the Government, neither the Government, Department of Defense, Department of the Navy, CNIC, nor any division or N-Code/Special Assistant (SA) thereof, is legally responsible or liable for such costs.

b. Under the provisions of this instruction and the references contained herein, the employee who commits a UAC or becomes a voluntary creditor may submit a request for endorsements and ratification or reimbursement. Ratification or reimbursement is neither guaranteed nor automatic. The Government's determination to ratify or reimburse is wholly discretionary, and neither the employee nor the contractor has an entitled right to ratification or reimbursement.

c. An employee who commits an UAC may voluntarily, and with no further claim on the government, directly reimburse the vendor from the employee's personal funds. In the event that an employee undertakes to accept full financial responsibility for the UAC, no further action will be taken, either administratively or disciplinary, on the matter. The employee will have the right to personally retain such services, or possess and have title to any such goods, except to the extent such goods or services were already consumed by the Government. However, in no event will the Government be liable or responsible for reimbursing the employee or paying the vendor for the value of any such services received or goods consumed.

d. The standards and procedures of references (c) through (e) and this instruction shall apply to submissions for ratification or reimbursement by the employee. As stated in references (f) and (g), contracting in support of CNIC will continue in accordance with the delineated responsibilities of U.S. Naval Supply Systems Command and Naval Facilities Engineering Command.

e. Non-ratified commitments and non-approved voluntary creditor actions cannot be paid with appropriated funds and may result in contractors seeking payment directly from the employee. In accordance with reference (h) the Government usually will not provide legal counsel or representation to the

employee in the event of any such debt collection or legal action.

f. Commercial entities or outside parties that perform work or provide products without a contract in place (i.e., participate in the creation of the UAC) do so at their own risk and are not entitled to consideration (payment) unless and until the UAC is ratified. Commercial entities may not initiate requests for ratification under this instruction.

g. Government contractors performing on-site or otherwise engaged in work under an already existing Navy contract for CNIC who take actions that incur separate contractual liability (for example, calling in another vendor to do additional work without authorization) do so at their own risk and the risk of their employer. Such actions will not be processed under this instruction for purposes of ratification.

h. Under references (i) through (k), active duty military and civil service employees who incur UACs without accepting financial responsibility may be subject to disciplinary action. Reference (k), the Uniform Code of Military Justice, applies only to military members. In the appearance of intentional, flagrant, or repeated violation of procurement law, regulations and policies, Command action may include, but will not be limited to:

(1) Issuing unfavorable performance evaluations.

(2) Delivering administrative discipline such as letters of reprimand.

(3) Initiating separation from service or termination from employment.

i. Under some circumstances, the potential for an Anti-Deficiency Act (ADA) violation may exist (see reference (a)). Violation of this law may incur both criminal and civil penalties.

j. The Command's decision whether or not to forward a request for ratification is discretionary and may depend on any one or more of several factors. These factors include enforcement of procurement policy, general deterrence of

improper conduct, the nature of the items or services ordered, the culpability of the individual, whether the responsible party has created UACs in the past, whether funds are available, or if law and public policy prohibit the ratification. Voluntary creditors also may be denied reimbursement on comparable grounds. It should be noted that in accordance with references (m) through (o), voluntary creditor actions are subject to a legal review that can be more rigorous than that of a UAC.

5. Responsibilities

a. CNIC/Deputy CNIC or the Region Commander (REGCOM), as applicable, is responsible for endorsing all unauthorized commitments as the final endorsing authority.

b. The N-code/SA is responsible for

(1) Reviewing the ratification or reimbursement request, recommending approval or disapproval, and forwarding the request, via the Comptroller/Region Financial Manager (FM) and Office of the General Counsel (OGC), to the final endorsing authority.

(2) Attending training provided by OGC for each violation that occurs within their area of responsibility.

c. OGC is responsible for providing training for each violation to the responsible party and their N-Code/SA.

d. The responsible party (as defined in enclosure (1)) is responsible for preparing, drafting, and submitting the ratification or reimbursement request package as detailed in enclosure (3). Subordinates, peers, or supporting contractors may not be tasked with these duties.

6. Action

a. CNIC/Deputy CNIC shall:

(1) Sign the third/final endorsement letter to reflect concurrence and forward the request for ratification.

(2) Notify the N-Code/SA if there should be different/additional disciplinary action taken.

(3) Return to the REGCOM for processing any UAC that occurs at the Region level.

b. The N-Code/SA shall:

(1) Appoint a surrogate UAC point of contact in the event the responsible party is no longer employed by the Government or has transferred to another agency, command, or activity.

(2) Attend training provided by OGC for each violation as a prerequisite to forwarding the request for endorsements and to emphasize leadership responsibility.

(3) Determine what disciplinary and remedial action may be warranted.

c. Comptroller/Region Financial Manager (FM) shall:

(1) Determine the availability of funds for the request for ratification or reimbursement.

(2) Report, after coordination with OGC, any ADA violation that occurs as a consequence of a UAC.

(3) Ensure initial information on the UAC has been posted to the CNIC Gateway in accordance with guidance provided in enclosure (3).

(4) Track status of the UAC through ratification and vendor payment.

(5) Notify the originating N-Code/SA if/when ratification occurs.

(6) Notify the HQ or region Contract Acquisition Management Oversight (CAMO) office, as applicable, when the ratified request would have been properly processed as a contract action.

d. OGC will:

(1) Conduct a legal review and determine whether the request is permitted under applicable fiscal law and procurement guidance.

(2) Provide mandatory UAC training for the responsible party and supervisory chain.

(3) Provide new hires training and annual refresher training as requested by the Command and as permitted by time and resources.

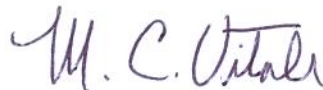
e. The REGCOM will:

(1) Review and approve as the final endorsing authority all UAC ratification or voluntary creditor reimbursement requests initiated within the Region.

(2) Forward the third/final endorsement letter to CNIC/Deputy CNIC HQ for any region UAC or voluntary creditor action that occurs within the office of the REGCOM.

f. The CAMO Office, HQ or Region as applicable, will ensure that any ratified UAC that would have been properly procured with a contract action is loaded into the CAMO database in order to ensure all contract actions are captured.

g. The Responsible Party will attend training provided by OGC.



M. C. VITALE
Vice Admiral, U.S. Navy

Distribution:

Electronic only, via CNIC Gateway:

<https://g2.cnid.navy.mil/CNICHQ/Pages/Default.aspx>

DEFINITIONS

The following terms and their definitions will aid in interpreting this instruction.

1. Authorized Officials. Individuals who have proper authority to commit the Government financially are warranted Contracting Officers and Purchase Card Holders.

2. Contracting Officer Representative (COR). A COR is an individual designated and authorized in writing by the contracting officer to perform specific technical or administrative functions on a contract.

3. Ratification. Ratification is after-the-fact approval of unauthorized commitments (UAC's) by an official who has the authority to do so, usually the head of the contracting activity. Because CNIC does not have contracting authority, this will generally be Naval Supply Systems Command (NAVSUP) Fleet Logistics Center (formerly Fleet & Industrial Supply Center (FISC)) or Naval Facilities Engineering Command (NAVFAC) but may include other contracting activities. In accordance with reference (b), UACs may be ratified only when:

a. The ratifying official finds a liability on the part of the Government.

b. The ratifying official has the authority to enter into a contractual commitment.

c. The resulting contract would otherwise have been proper if made by an appropriate contracting officer.

d. The contracting officer determines the price to be fair and reasonable.

e. Funds were available at the time of the UAC.

f. Ratification is appropriate in accordance with Navy procedures.

4. Training Ratification. A training ratification is required when training or educational classes or services in the amount of \$25,000 or less on a single Authorization, Agreement and Certification of Training, Standard Form (SF) 182 were acquired

without having followed proper acquisition procedures. Additional information may be found in 5 USC §4101-4118, the Government Employees Training Act and the DoD Financial Management Regulations Vol 10, Ch 12. A training ratification is processed the same as any other UAC, but the third and final endorsement is addressed differently, as shown in enclosure (6).

5. Responsible Party. The responsible party is the employee identified as the primary party who caused the UAC or voluntary creditor action.

6. Unauthorized Commitment (UAC). A UAC, as defined by reference (b), is an "agreement that is not binding, solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government."

7. Voluntary Creditor. A voluntary creditor is a Government employee who paid for an item out of personal funds and seeks reimbursement from the Government. Voluntary creditor actions require justification and documentation equal to that found in a UAC package and are subject to a legal review that can be more rigorous than that of a UAC.

UNAUTHORIZED COMMITMENTS GUIDELINES

1. The following guidelines address the more common areas in which UACs may occur.

a. Never task a contractor to perform work or change the terms of the contract without the benefit of a warranted contracting officer. For example, if your contract specifies delivery of 'ABC' report and you ask for an 'XYZ' report, unless you are the contracting officer, you are adding new scope to the contract without the authority to do so.

b. Work with your contracting officer or contracting officer representative (COR) to ensure there is proper contractual coverage for all work done by contractors. The contracting officer can ascertain if the contract is still in effect.

c. Be wary of offering assistance or advice directly to your contractor as he or she may interpret suggestions as requests to take action, which can result in a UAC.

d. Headquarters Program Directors should coordinate all Operations and Maintenance/Operations and Maintenance, Reserve (OMN/OMNR) acquisitions which may involve contracting with CNIC's Contracting Acquisition Management Office (CAMO).

e. Supervisors and N-Codes/Special Assistants are highly encouraged to arrange for the training of as many employees as possible to preclude UAC and voluntary creditor actions.

f. Do not include contractors on internal emails discussing potential or desired changes to the contract.

2. The following situations are typical causes of UACs. Avoid these and other similar situations:

a. Supplies or services ordered by someone not named on a purchase card.

b. Requesting, reserving, ordering or accepting any goods or services without first going through a contracting officer or Government Purchase Cardholder.

- c. Exceeding your warrant or purchase card limit/authority.
- d. Not being authorized to contact the service provider but calling for repair on equipment, failing to return equipment, continuing to receive services after a lease or maintenance agreement has expired, or ordering supplies.
- e. Requesting a maintenance/service representative fix a copier/fax/printer that is not on the representative's current work order.
- f. Subscribing to periodicals when you are not the purchase card or contracting warrant holder.
- g. Urging a contractor to start work before the contractual document is issued/awarded by the contracting officer or indicating to a vendor that an order is forthcoming.
- h. Not tracking and posting receipt of contracts in the Command Financial Management System (CFMS) to ensure a contract has been issued prior to start of work. There must be a signed contract in place prior to start of work, otherwise the contractor cannot be paid for service.
- i. Including costs for refreshment items, absent specific legal authority and supporting facts, which are severable from the cost of other items in a conference package.

UNAUTHORIZED COMMITMENT RATIFICATION PROCEDURES

1. The following procedures shall be followed to process a UAC.

a. The responsible party or appointed surrogate shall:

(1) Report the incident to his/her branch head/supervisor.

(2) Personally prepare the ratification request in accordance with enclosure (4).

(3) Submit the ratification request as a single PDF file (hereafter referred to as the request) to the N-Code/Special Assistant (SA) via the employee's Branch Head/Supervisor.

(4) Attend UAC training provided by Office of the General Counsel (OGC).

(5) Comply with remedial or disciplinary actions as directed by the chain of command.

b. The Branch Head/Supervisor shall:

(1) Verify the accuracy and completeness of the request.

(2) Determine what disciplinary and/or remedial actions are appropriate. At a minimum, ensure the responsible party and the first level supervisor attend training provided by the OGC.

(3) Recommend approval or disapproval and prepare a memo to the N-Code/SA in accordance with enclosure (4) and attach the signed memo to the front of the request from the responsible party.

(4) Prepare the N-Code/SA letter in accordance with enclosure (4).

(5) Upon receiving the signed N-Code/SA letter:

(a) Attach the N-Code/SA letter to the front of the request.

(b) Prepare the third endorsement letter in accordance with enclosure (4) for CNIC/Deputy CNIC (HQ) or Region Commander (REGCOM) (regions) signature. This letter must be on official letterhead.

(c) Create a summary information file on the Gateway at:
<https://g2.cnic.navy.mil/tscnichq/N8/N8ADM/Web%20Part%20Pages/Unauthorized%20Commitments.aspx>.

(d) Load the ratification request (a single PDF file) and the draft third endorsement letter (word format) into HQWeb Tasker Management System (hereafter called Taskers).

(6) Upon receiving the required three endorsements (first: Region Financial Manager (FM)(regions)/Comptroller (HQ); second: OGC; and third: CNIC/Deputy CNIC (HQ) or REGCOM (regions)):

(a) Attach them in order (third endorsement on top) to the front of the request.

(b) Forward the entire request (a single PDF file) to the Comptroller (HQ) or Region FM (regions) to be forwarded with the funding document to the contracting office for ratification.

(7) Attend training provided by OGC. To emphasize leadership responsibility, the branch head/supervisory chain will attend training for each and every violation which occurs in the supervisor's chain.

(8) Track the status of the request through the endorsement phase.

c. The N-Code/SA shall:

(1) Review the request as forwarded by the Branch Head/Supervisor.

(2) Concur/non-concur with recommendation to ratify.

(3) Concur/non-concur with, or supplement/modify, recommended disciplinary or remedial actions.

(4) Sign the N-Code/SA letter, indicating concurrence/non-concurrence with recommendation to ratify, and return it to the Branch Head/Supervisor for further processing of the request.

(5) Attend training provided by OGC. To emphasize leadership responsibility the N-Code/SA will attend training for each and every violation which occurs in the N-Code/SA.

d. The HQ Comptroller or Region FM shall:

(1) Determine if funds are available to cover the UAC.

(2) Provide the first endorsement, a written rejection for cause, or report an Anti-Deficiency Act (ADA) violation, as appropriate.

(3) Load the Comptroller/FM determination into Taskers.

(4) When in receipt of the fully endorsed request (from the Branch Head/Supervisor):

(a) Load request as an attachment to the summary file created on the Gateway by the Branch Head/Supervisor.

(b) Forward the request with the funding document to the appropriate contracting office for ratification.

(c) Track the request through ratification and vendor payment.

(5) Notify the N-Code/SA when the request is ratified or notify the N-Code/SA and OGC if ratification is refused.

(6) Notify the Contract Acquisition Management Oversight (CAMO) office, HQ or Region as applicable, of a ratified request that involves a contract action.

(7) Update the Gateway to reflect ratification status and date.

e. The HQ or Region OGC shall:

(1) Review the request for compliance with fiscal law and procurement guidance.

(2) Provide the second endorsement, a written rejection for cause, or report an ADA violation, as appropriate.

(3) Provide training as required.

(4) Load the OGC determination into Taskers.

f. CNIC/Deputy CNIC or REGCOM shall:

(1) Concur/non-concur that the commitment should be ratified.

(2) Determine if the proposed disciplinary action is appropriate or whether an alternate action should be taken. If a change to the proposed disciplinary action is warranted, notify the N-Code/SA of the decision.

(3) Provide the third endorsement or written rejection for cause and have it loaded into Taskers.

(4) In the event that a UAC or voluntary creditor action occurs within the office of the REGCOM, the request will be forwarded to CNIC/Deputy CNIC (HQ) for the third/final endorsement letter. This letter should be addressed to the regional contracting office and the signed letter will be returned to the region to continue with regional processing.

g. The contracting officer will process the request in accordance with Federal Acquisition Regulations.

h. CAMO will, upon receipt of a courtesy copy of the ratified package that involves a contract action, notify the responsible N-Code/SA to load a copy of the ratified request into the CAMO database.

SAMPLE MEMO, LETTER AND ENDORSEMENTS

[Samples are drafted for CNIC HQ use and will need to be modified for Region use. Information in brackets or italics is to be replaced/deleted]

Date

MEMORANDUM/STATEMENT OF FACTS [responsible party's memo]

From: Name, Department/Division/N-Code

To: N-[Code]

Via: [Name, Title of Branch Head/Supervisor]

Subj: UNAUTHORIZED COMMITMENT FOR PURCHASE OF _____

Ref: (a) CNICINST 4200.1C

Encl: *(as applicable)*

(1) Email Exchange [CNIC POC & Vendor] of [Date]

(2) Letters [to/from Vendor] of [Date]

(3) Memo for Record of [Date]

(4) Invoice of [Date]

(5) Debt Collection Warning of [Date]

(6) Online Pricing Information

(7) Purchase Description of Goods/Services

1. This statement is provided in regard to an unauthorized commitment (UAC) relating to _____.

2. The amount of the UAC is \$_____.

3. The UAC occurred on or about _____.

4. The vendor/contractor in question is _____ located at _____, Telephone: (XXX) XXX-XXXX; Email: "XXXXXX@email.com"; Online: "www.[vendor.com]"

5. As required by reference (a) I am providing the following explanation of my efforts to purchase _____ without having complied with proper procedures. *[Provide background and facts (address above enclosures in numeric order)]*:

- *Provide a detailed history of the event, including names, places, times, discussions, decisions, and goods/services rendered.*
- *Describe the need /requirement, how it arose, and why proper contracting procedures were not used.*
- *Clearly identify the key individuals making the decision to procure the goods/services, and explain your role/responsibility for the UAC.*
- *Make sure that documentary evidence, such as contracts, agreements, quotes, estimates, bills, invoices, letters, emails, item descriptions, catalog cuts, and any other relevant records are referenced in order and discussed in this section.*

6. Benefit Received

- *Provide the description, itemization, quality, and quantity of goods/services received and explain why this benefitted the Command/Navy/Government.*

7. Fair and Reasonable Price

- *Provide some independent basis to demonstrate that the contractor's price is fair and reasonable. For example, go online to locate the price of identical/similar goods or find a competitor's catalog for like items.*

8. Contact Information. The undersigned can be contacted at:

- a. Address:
- b. Telephone:
- c. Cell:
- d. Email:

Signature
Typed Name
Title/Rank

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Date

From: Branch Head/Supervisor's Name, N-Code
To: CNIC N-Code

Subj: UNAUTHORIZED COMMITMENT FOR PURCHASE OF _____

Encl: (1) Memorandum/Statement of Facts, Subj: UNAUTHORIZED
COMMITMENT (Date) [responsible party's memo with all
enclosures]
(2) Additional Supporting Documentation [if applicable;
specify what it is]

1. I am forwarding the enclosed documentation, outlining an
inadvertent unauthorized commitment (UAC) regarding _____.
Funding information is [Fiscal Year/Appropriation (FY/APPN)].

2. I concur/do not concur that the commitment should be
ratified. The reason for this recommendation is_____

- *Provide information to justify the recommendation.*
- *For instance, if ratification is recommended, explain why the services rendered were mission critical; look into whether identical services were funded in the year preceding and the year following this event; describe the positive benefits derived from the goods or services.*
- *For instance, if ratification is recommended, list any mitigating circumstances. The facts might indicate that efforts were made to follow proper procedures, but that a strict adherence to the Federal Acquisition Regulation was not achieved due to exigency/emergency; the fast-moving pace of the mission; pardonable inadvertence; or poor communications. Identify the material weakness (the breakdown of internal controls that led to this UAC).*
- *For instance, if ratification is not recommended, the basis might be that the Navy received no real benefit (the goods or services were of a personal nature); that the responsible party is a "repeat offender" regarding UACs; or that the purchase was made in direct contravention to an explicit order by the supervisor.*

3. I have verified the accuracy and completeness of the
documentation.

Ensure dates and amounts are accurate so memos/letters do not need to be returned for corrections discovered further up the chain.

4. Regarding corrective and/or disciplinary measures, I have ___

- *Corrective measures can include a wide array of administrative and legal actions. For instance, it is not uncommon for a supervisor to provide counseling or issue a non-punitive letter of caution to the responsible party. Also explain how you have improved internal controls to preclude a repetition of this situation.*
- *If any type of discipline is anticipated, make sure you have sought the advice of the Command Judge Advocate General (for uniformed personnel) or the Office of General Counsel (for civilian employees).*
- *Make sure that, at a minimum, you schedule remedial training to be provided by the Office of General Counsel.*

5. The undersigned can be contacted at:

- a. Address:
- b. Telephone:
- c. Cell:
- d. Email:

Signature
Typed Name
Title/Rank

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From: CNIC N-Code Director [this is the letter to the Command]
To: CNIC/Deputy CNIC
Via: (1) CNIC Comptroller
(2) CNIC Office of General Counsel

Subj: UNAUTHORIZED COMMITMENT FOR PURCHASE OF _____

Encl: (1) [Branch Head/Supervisors Memo (includes responsible party's memo and enclosures) of [date]

1. I am forwarding the enclosed documentation outlining an inadvertent UAC regarding _____.

2. I concur/do not concur that the commitment should be ratified. The reason for this recommendation is _____

- *See comments and advice provided as examples on Branch Head/Supervisor's Memo.*

3. I have verified the accuracy and completeness of the documentation.

4. Regarding corrective and/or disciplinary measures, I have _____

- *See comments and advice provided as examples on Branch Head/Supervisor's Memo.*

5. The undersigned can be contacted at:

- Address:
- Telephone:
- Cell:
- Email:

Signature
Typed Name
Title/Rank

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FIRST ENDORSEMENT on [N-Code Letter] dtd [date]

From: CNIC Comptroller
To: CNIC/Deputy CNIC
Via: CNIC Office of General Counsel

Subj: SAME AS CNIC N-CODE LETTER

Ref: (a) [CNIC N-Code Letter] of [date]

1. Funds were and have been continuously available to cover this unauthorized commitment (UAC): FY__; \$__[exact amount, no rounding].

2. Recommend forwarding for ratification of UAC.

Signature
TYPED NAME
Comptroller

Copy to: N-Code

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SECOND ENDORSEMENT on [N-Code Memo] dtd [date]

From: CNIC Office of General Counsel
To: CNIC/Deputy CNIC

Subj: SAME AS CNIC N-CODE LETTER

Ref: (x) In accordance with SECNAV Manual M-5216.5 of Mar 2010, do not repeat a ref that has already been Identified in the basic letter or a previous endorsement. Identify only new references you add and continue sequence of letters from the basic letter/endorsement

Encl: (x) Additional Supporting Documentation [same as for references; identify only new enclosures you add and continue sequence of numbers from the basic letter/endorsement]

1. Purpose. This is a legal review of an unauthorized commitment (UAC) of funds by [name, N-Code, HQ CNIC], in conjunction with [name of UAC].

2. Opinion. Upon review of this package it is my determination that the requirements for ratification set forth in references (a) through (c) of CNICINST 4200.1C are satisfied as to form and legality. The proposed ratification may be forwarded to [the contracting agency]. [Address any new enclosures.]

a. Legal Basis. [Citation to any additional legal authority]

b. Funding. The amount of the UAC is \$____. Given that this UAC occurred on [date], the proper monies would be from FY ____ funds. GAO, Office of the General Counsel, *Principles of Federal Appropriations Law* (Third Edition), Volume II, Chapter 7 (B)(1)(d).

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3. Point of contact is the undersigned. I may be reached at
(XXX) XXX-XXXX should you have any questions about this matter.

Signature
TYPED NAME
Associate Counsel

Copy to: N-Code

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Date

[This endorsement must be on letterhead]

THIRD ENDORSEMENT on [N-Code Memo] dtd [date]

From: Commander, Navy Installations Command
To: [Appropriate Contracting Office: FISC/NAVFAC/Other]

Subj: SAME AS CNIC N-CODE LETTER

1. I am forwarding information relating to an inadvertent unauthorized commitment (UAC) regarding _____.
2. I request that the UAC in the amount of FY__ \$__ [exact amount, no rounding] be ratified.
3. I have verified the accuracy and completeness of the documentation.
4. Regarding corrective or disciplinary measures, the CNIC Office of General Counsel has provided remedial training to the responsible individual and supervisory chain [and other members of the organization. Add any other corrective behavior/ measures/steps taken as stated in N-Code's endorsement letter].
5. A current year funding document citing the appropriate line of accounting accompanies this request.
6. The undersigned is the senior civilian of the command and holds the delegated authority to endorse UACs for ratification.

Signature
TYPED NAME
Rank/Title

Copy to: N-Code

VOLUNTARY CREDITOR PROCEDURES

1. A voluntary creditor reimbursement request will include all the documentation and follow the steps as identified in enclosures (3) and (4) of this instruction, with the following changes/modifications:

a. Replace "Unauthorized Commitment" or "UAC" with "voluntary creditor".

b. The memo will request reimbursement rather than ratification.

c. The memo must address the following issues:

(1) The item could have been purchased legitimately with appropriated funds.

(2) The voluntary creditor acted in the Government's best interests.

(3) The Government clearly received a benefit from the voluntary creditor's actions.

(4) There is no indication of lack of good faith on the voluntary creditor's part.

(5) Proper procurement procedures were not used because:

(a) There was an unanticipated emergency, exigent circumstances, or special and urgent need; or

(b) The voluntary creditor was ordered by a supervisor/someone in his chain of command to purchase the item.

(6) The price was reasonable.

(7) Had the voluntary creditor not actually paid for the item, the purchase could have ratified as a UAC.

(8) Proof of payment from personal funds.

(9) A completed SF 1164, Claim for Reimbursement for Expenditures on Official Business, available on General Services Administration (GSA) site at:

<http://www.gsa.gov/portal/forms/type/SF>.

(a) Block 6 will include this statement: "I certify this claim is true and correct; that there was an unforeseen and urgent reason to spend my funds; and that I have not received credit or payment."

(b) Block 8 must be signed/approved by the voluntary creditor's supervisor/commander.

d. All Endorsements will replace "Unauthorized Commitment" or "UAC" with "voluntary creditor" and refer to reimbursement rather than ratification.

e. Third endorsement letter is formatted as an internal memo (no letterhead), specifies approval or disapproval for reimbursement, and is addressed to the voluntary creditor with a copy to the Region FM/HQ Comptroller.

TRAINING RATIFICATION PROCEDURES

1. Training on unauthorized commitments (UACs) in excess of \$25,000 must be processed as a standard UAC in full compliance with enclosures (3) and (4) of this instruction and ratified by a warranted contracting officer of a contracting activity generally NAVSUP Fleet Logistics Center (formerly FISC).

2. A ratification request for training services under \$25,000, in accordance with the Financial Management Regulation Vol 10, Ch 12, will include all the documentation and follow the steps as identified in enclosures (3) and (4) of this instruction, with the following changes/modifications:

a. Replace the term "Unauthorized Commitment" or "UAC" with "Training Unauthorized Commitment" or "Training UAC."

b. The initiator's memo must address all standard UAC factors plus the following issues:

(1) The training was an individual event or planned series of the same training event, activity, or service;

(2) The training was publicly available, off-the-shelf, and requires no more than minor modifications to meet the Government's requirements.

c. Submit a completed SF 182, "Authorization, Agreement, and Certification of Training." , available on the Office of Personnel Management (OPM) site: <http://www.opm.gov/forms/>.

d. N-Code/SA letter will include CNIC Training & Readiness (N7), HQ or Region as applicable, in the Via address block as the first addressee.

e. CNIC (N7), HQ or Region as applicable, will provide the first endorsement letter recommending approval or disapproval.

f. All endorsements will replace "Unauthorized Commitment" or "UAC" with "Training Unauthorized Commitment" or "Training UAC."

g. Final endorsement letter (CNIC HQ/Deputy CNIC or REGCOM) is formatted as an internal memo (no letterhead), specifies

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approval or disapproval for reimbursement, and is addressed to CNIC (N7), HQ or Region as applicable, with a copy to the Region FM/HQ Comptroller.

h. The SF 182 will be paid via the Government Purchase Card or any other means as consistent with current CNIC policy relating to the acquisition of training.