



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER

WASHINGTON DC 20310-0109
November 15, 2001



MEMORANDUM FOR MR. THOMAS BLOOM, DIRECTOR, DEFENSE FINANCE &
ACCOUNTING SERVICE, CODE D, 1931 JEFFERSON
DAVIS HIGHWAY, ARLINGTON, VIRGINIA 22240-5291
MR. WILLIAM H. REED, DIRECTOR, DEFENSE ONTRACT
AUDIT AGENCY, 8725 JOHN J. KINGMAN ROAD,
SUITE 2135, FORT BELVOIR, VIRGINIA 22060-6219
BRIGADIER GENERAL EDWARD M. HARRINGTON,
DIRECTOR, DEFENSE CONTRACT MANAGEMENT
AGENCY, METRO PARK 3, SPRINGFIELD, 6350
WALKER LANE, ALEXANDRIA, VIRGINIA 22310-3241

SUBJECT: Department of Army Canceling Accounts Goal

The Department of Army's annual goal is to clear all canceling accounts unliquidated obligations (ULO) balances by June 30 of the fiscal year (FY). Although our canceling accounts ULO balances were outstanding at fiscal year end, September 30, 2001, we were not successful in meeting our June 30, 2001, goal. We need your support for us to meet this goal.

We performed an analysis of our canceling account ULOs that were on the books after June 30. We determined we were unable to make many payments because of problems with reconciliation, DCAA audits, delay in determining final overhead rates, awaiting final invoices from contractors or awaiting contracting officer closeouts. More importantly, we found that many of your field organizations were unaware of the June 30 goals. They were working towards the September 30 year-end closing deadline.

Please support our efforts to achieve our June 30 goal for canceling accounts. We ask that you inform your field organizations of your support of the Army's goal and direct them to accelerate processing any actions affecting contracts with canceling year accounts ULOs. We also need you to advise them of the Army's June 30 goal and to adjust their processing timeline accordingly.

Your support is vital for us to achieve our canceling accounts goal in this and future years. Thank you for your support and your help in improving financial stewardship for the Army.

Thank you for your support.
Ernest J. Gregory
Deputy Assistant Secretary of the Army
(Financial Operations)