



U.S. AIR FORCE

MOCAS

CONTRACT CLOSEOUT GUIDE

December 2005

TABLE OF CONTENTS

PREFACE	1
CONTRACT CLOSEOUT BACKGROUND	1
CHAPTER 1	3
Section 1 - Acquisition Strategy	4
Section 2 - File Documentation	4
Section 3 - Contract Management.....	5
Section 4 - Periodic Financial Reconciliation.....	7
Section 5 - Monitoring and Tracking.....	9
Section 6 - Cumulated Allowable Cost Worksheet (CACWS)	13
Section 7 - What Contractors Can Do to Simplify Closeout	13
Section 8 - Early Closeout of IDIQ Contracts.....	13
Section 9 - Quick Closeout	14
Section 10 - Final Closure.....	14
CHAPTER 2	17
Section 1 - Contract Completion.....	18
Section 2 - Contract Payment.....	18
Section 3 - ACO Closure (see also Appendix A)	19
Section 4 – Final Reconciliation	20
CHAPTER 3	22
Section 1 – What are Other Transaction Agreements.....	23
Section 2 - Closeout of OTAs.....	23
CHAPTER 4	24
Section 1 – Contracts with a Long Term Warranty	25
CHAPTER 5	26
Section 1 – FY04 National Defense Authorization Act.....	27
Section 2 – FY05 National Defense Authorization Act.....	27
APPENDIX A – The Process and Flowchart	28
APPENDIX B - Acronyms, Definitions, Other References	39
APPENDIX C – Sample Forms	44

PREFACE

Let's begin by discussing what this guide is not. It is not a "one-size-fits-all" cookbook for managing the contract closeout process. It doesn't replace or supersede regulatory requirements. It may not even include the very best technique to deal with each challenge or task within the overall process and it doesn't provide the step-by-step administrative details that are unique to each organization. It is also not a guide for closing Air Force local purchase, Integrated Accounts Payable System (IAPS) paid contracts. Most importantly, it is not direction to change a process that may be working very well.

"What it is" is a helping hand to guide acquisition personnel through the complex list of things to be done to close Mechanization of Contract Administration Services (MOCAS) contracts. This guide explains the roles and responsibilities in the closeout process and puts the individual tasks into a road map arrangement. As a companion to this guide (Appendix A), the closeout process can also be viewed in a flow-chart format by specific topics. Regulations, DCMA guidance and lessons learned by others have been consolidated into a user-friendly explanation of the steps to get from final delivery to closure. While many of the procedures discussed herein also apply to operational or base contracting, this guide is designed specifically to address MOCAS paid, central and/or systems procurement contracts.

Timely closeout can mean real-time dollar savings to an organization. While the formal closeout process begins when all deliveries and services are accepted by the Government, considering how a contract will close should begin early in the acquisition phase. How well it is managed in the early acquisition stages can make a significant difference in the ability to easily close. Proactively planning ahead for the tasks and documentation that will be part of the closure process can pay big dividends at the end. Ensuring excess funds are reviewed periodically and removed timely can save using current year funds to pay "old" bills.

This guide is divided into five chapters that focus on key closeout activities. Chapter 1 discusses the proactive closeout process and Chapter 2 discusses common closeout problems. Chapter's three, four, and five address unique closeout issues. Chapter 3 is a discussion on closeout of Other Transactions and Chapter 4 provides guidance on closeout of contracts with long-term warranties. The passage of the "Special Temporary Contract Closeout Relief" under the FY05 National Defense Authorization Act (NDAA) is perhaps the most significant change impacting DoD contract closeout in quite some time. It is discussed in Chapter 5 and is highly recommended reading for all Air Force activities that have not closed contracts which were issued prior to 1 Oct 1996 and have a plus or minus unreconciled balance under \$100,000.00. The closeout process can also be viewed in a flow-chart format by specific topics as shown in Appendix A to this guide. It may also be viewed separately at the AFMC/PKP MOCAS contract closeout (MCC) web site: <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/PK/pkp/pkpa/mocas.htm>

CONTRACT CLOSEOUT BACKGROUND

A contract is considered physically complete when all deliveries and services have been received and accepted by the government. For Defense Contract Management Agency (DCMA) administered contracts, the administrative contracting officer (ACO) initiates and is responsible for the closeout process by moving the contract from an active status to a physically complete status in the Mechanization of Contract Administration Services (MOCAS) system when the

contract is physically complete (PC). This action generates a Military Standard Contract Administration Procedures (MILSCAP) Format Identifier Interim PK9 indicator (physical completion status) in MOCAS. The interim PK9 provides notification of physical completion and represents the start date for the closeout process (see Appendix C, Sample Forms). Each contract will go through a number of steps before reaching final closure and must be administratively and financially complete before it is formally closed in the database systems. A contract is considered financially complete when the total obligations and the contract amount are in agreement and all disbursements have been paid and recorded properly in the General Accounting and Finance System – Base Level (GAFS-BL/BQ) (accounting) and MOCAS (disbursement) systems. A contract is considered administratively complete when FAR Part 4 final actions such as disposition of government furnished property (GFP), clearances for patents/royalties (DD Form 882, Report of Inventions and Subcontracts, see Appendix C, Sample Forms), disposition of classified material, contractor’s release of claims, etc. have been completed. DFARS 204.804-2 (1)(i) requires that the ACO notify the PCO when final contract completion has taken place. The notification process usually takes place electronically through an automated “final” PK9 entry in MOCAS or through the use of a DD Form 1594. Final closeout occurs when all administrative actions have been completed, all disputes settled, and final payment has been made.

At any given time, the Air Force has approximately 41,000 open contracts, 13,000 of which are physically complete and in various stages of closeout. About 80% of all Air Force contracts are delegated to DCMA for administration by an ACO. For the remaining 20%, the buying activity retains responsibility for payment and/or retained administration and closeout. Unlike most buying activities where the procuring contracting officer (PCO) workload is driven by Wing/Squadron capability requirements, ACO workload is assigned strictly by contractor name. It is very easy to identify the ACO. Identifying the name and location of the current PCO becomes more difficult and is based on the name identified in the contract writing system for the last modification issued. No matter who has prime closeout responsibility, DoD policy is to close all contracts in accordance with FAR 4.804-1(a) and FAR 42.708, Quick Closeout procedures as appropriate.

This guide is consistent with the FAR and its supplements as of the date of publication. For the purpose of future updates, the latest FAR changes incorporated in this guide are identified below:

- Federal Acquisition Regulation (FAR): Sept 2001 Edition, Inclusive through FAC 2001-26, 19 Jan 2005
- DoD FAR Supplement (DFARS): 3 Nov 04 Edition
- Air Force FAR Supplement (AFFARS): 2002 Edition, modified through Air Force Acquisition Circular (AFAC) 2004-1209 and CPM 03C14
- Air Force Materiel Command FAR Supplement (AFMCFARS), 2002 Edition current to AFMC Acquisition Circular (AFMCAC) 02-06

CHAPTER 1

Proactive Closeout
Or
How to Avoid Antagonizing Future Generations of
Contracting Officers

Section 1 - Acquisition Strategy

Proper acquisition planning is critical for a successful program and contract closeout. FAR 4.804 establishes specific time periods for closing contracts depending on the type of contract. Timely closeout deobligates and returns funds to the organization for re-use on new work or to replace old funding. Addressing contract closeout strategy in the acquisition plan by incorporating closeout concepts will reduce the closeout process and enhance the overall closeout process. Careful consideration of how a contract will document the delivery and acceptance of goods and services during acquisition planning will assist the ACO down the road in determining that the contract is physically complete and closeout can begin.

Consider proactive closeout strategies. Strategies such as rewarding/ penalizing contractors for submission of their final overhead rate proposal, their final invoice or the development of a management information system that tracks multiple deliveries of supplies and/or data items can have a positive influence on the contractor's attention to timely closeout. Such actions are dependant upon a variety of concerns (dollar value, complexity, etc.) and should be tailored to fit the needs of the individual requirement.

Section 2 - File Documentation

The requirements and procedures for contract closeout are established by the Federal Acquisition Regulation (FAR) 4.804-5, "Procedures for Closing Out Contract Files" and DFARS 204.804, "Closeout of Contract Files."

To prevent the loss of ownership once a contract is physically complete, buying offices should consider implementing procedures that will ensure the protection and control of the contract file. Documentation is frequently not available when the contracting officer (CO) needs it due to the rapid turnover of acquisition personnel. The result is that needed documentation does not find its way to the file, is buried in files of miscellaneous correspondence or is lost. Files are required to be maintained at organizational levels that ensure "Effective documentation of contract actions" and "Ready accessibility to principal users," per FAR 4.802. However, most of our emphasis and training has been on pre-award file maintenance rather than contract management. Establishing a systematic method to ensure documents are retained and readily available to the contracting officer (CO) eliminates the risk of rework, duplication, and inaccuracy in the closeout process. Creating a separate folder or folder segment specifically for the documents, which apply to contract closeout, can preclude hours spent searching files later. DCMA administered contracts use the Contract Closeout Checklist, DD Form 1597 (see Appendix C, Sample Forms) to organize the contract closeout process. It is recommended for internally administrated contracts as well. Establishing a good filing system early can significantly help to reduce time hunting for lost/misplaced documents needed to track contract performance and assist in closeout.

Section 3 - Contract Management

Throughout the life of the contract, completion of contract requirements should be tracked against the contract schedule, using a conformed contract that identifies all deliverables and their respective delivery date. In some organizations, Integrated Product Teams (IPTs), which are established to manage the program, accomplish this effort. The IPT may include representatives from the requirements office, the applicable logistics center, the cognizant DCMA/DCAA organizations and contractor personnel, as appropriate. Maintaining these same teams throughout contract closeout can reduce misunderstandings during administration and streamline the closeout process.

ACOs track contract deliverables, the final delivery date (FDD) as well as other valuable administration information via the MOCAS system. MOCAS is an integrated system supporting post-award and closeout contract administration functions and is managed jointly by DFAS-CO and DCMA. Contract administration offices, payment offices, procurement managers, and consignees utilize the system. MOCAS is designed to provide:

- DCMA with information necessary to accomplish their mission
- Management, financial and inventory data to customers (Services, buying offices, funding offices and inventory managers)
- Payment to contractors or their designee
- Reports to the military department for transmission to Office of the Secretary of Defense, (OSD), Treasury or the General Accountability Office (GAO)
- Automatic closure of contracts as prescribed in the FAR
- Maintenance of source documents for all of the above

To find out more about the MOCAS system or the DCMA closeout process go to the DCMA Contract Closeout Center web site at: <http://home.dcmam.com/cntr-dcmam/index.htm>. Questions concerning specific contract data in MOCAS should first be addressed to the cognizant ACO.

Ideally all contracts should move from MOCAS Contract Administration Report (CAR) Section 1 (active) status to Section 2 (physically complete) status automatically (i.e. once a receiving report is entered into the system). [DFARS 246.370](#) requires solicitations and contracts to incorporate DFARS clause 252.246-7000, "Material Inspection and Receiving Report." This clause requires the Contractor to prepare and furnish to the Government a material inspection and receiving report in the manner and to the extent required by Appendix F, Material Inspection and Receiving Report, of the Defense FAR Supplement by using the Wide Area Work Flow-Receipt and Acceptance (WAWF-RA) electronic form. Use of DD Form 250, Material Inspection and Receiving Report (see Appendix C, Sample Forms) is also in use for those contractors not yet using the WAWF-RA process. Although the exceptions to this requirement are extremely limited, e.g., small purchases, services when no hardware is required, and contracts not requiring delivery of separately priced end items, some organizations have deviated from the use of the WAWF-RA or DD Form 250 using authorized alternate acceptance procedures such as Certificates of Completion and Letters of Acceptance. These deviations eliminate automated tracking of contract completion and therefore should be coordinated with the ACO. With the use of such alternate procedures the contract will not move to CAR Section 2 status if:

- 1) DFAS is not the paying office
- 2) Production surveillance responsibility has been assigned and no DD Form 250 or other acceptance documents are required (lease agreements, non-DoD contracts)
- 3) The Z (final goods/services or final invoice) indicator is missing
- 4) A PCO final acceptance letter is required
- 5) DFAS is the payment office, but no Line Item Schedule and Shipment Record (LISSR) has been established (for example, those contracts on which completion of performance is not contingent upon the delivery of an end item- such as Basic Ordering Agreements, Blanket Purchase Agreements, or Research and Development contracts).

Such contracts will remain in CAR Section 1 (active) status until completion of performance or expiration of the ordering or option periods, unless ACO coordination is achieved.

Monitoring data deliveries can be particularly challenging when the Contract Data Requirements List (CDRL) specifies buying office approval, but does not require an electronic WAWF-RA or DD Form 250. For complex requirements, an automated information system to track and manage deliveries may be useful. The program/project manager is responsible for inputting receipt dates for progress reports and final technical reports into a single database and for documenting approval or rejection within a specified period. The automated information system can be used to track the government's suspense action as well as the timeliness of the contractor's performance. In some instances, the contractor could be tasked with providing evidence of completion to the requirements office that identifies the contract number, contract line item number (CLIN), CLIN Title, CDRL Sequence Number and Title, and applicable Performance Work Statement (PWS) paragraph number. A copy of the CDRL and the contractor's tracking record may also be required. The contractor states or certifies that the data required by the PWS conforms to the contract and has been transmitted in accordance with the CDRL. The buying activity is responsible for reviewing the contractor's evidence of completion and providing notification through the PCO of concurrence/nonconcurrence. When all of the not-separately-priced CDRL items have been verified to be complete, the contractor may submit an electronic WAWF-RA or DD Form 250 for the data CLIN, attaching/forwarding the buying office concurrence as evidence for payment, if applicable. Disagreements with the contractor's completion statement should be resolved promptly.

When CDRL items are submitted to the buying office for inspection and acceptance, it is important to understand the importance and accuracy of the final inspection and receiving report identified with a "Z" indicator (DD Form 250 "Z"). The cognizant contract administration office (CAO) and payment office need to provide copies of a signed receiving report. Use of WAWF-RA eliminates this requirement. For additional information see [Appendix F](#) of the DFARS.

Whether deliverables involve data or hardware, an imbalance between the quantity ordered, the quantity delivered, and the quantity accepted should be reported to the cognizant ACO immediately. Discrepancies that result in excess funds on the contract should be promptly resolved and funds deobligated via a contract modification. Reconciliation may be required to identify and resolve the problem and to determine if further deliveries are to be made or whether other actions are required to move the contract to physical completion status.

Proactive management should be applied to the tracking and disposition of government furnished property (GFP) also. Throughout the life of the contract, GFP may be added, deleted, transferred, or loaned to other programs. The contractor is responsible for the management of government property; however, buying offices frequently defer taking aggressive action to dispose of anything until the last production item is out the door. Routine, periodic disposition of excess property is encouraged because it prevents delays later on, results in better utilization of government furnished property, and saves money in storage and maintenance costs.

Routine administrative costs associated with contract closeout should be, and typically are, part of the negotiated price (indirect overhead costs) of a contract. The closeout of the final production contract for a major weapon system, however, will involve extensive closeout activity that may or may not have been included in the proposed contract price or negotiations. Government property disposition may be an added cost at the time of contract closeout. It is important to review the level of effort associated with the contract closeout to determine whether the effort is within scope or considered "over and above" tasking. This is especially true for contracts associated with weapon systems that have been terminated or canceled prior to production of initially planned quantities. If the contractor is entitled to an equitable adjustment for closeout costs, the requirements program office will have to work with the contractor to define the remaining tasks and negotiate a fair settlement. In some cases, costs will also include shutdown of government-owned contractor-operated (GOCO) facilities. The requirements office must source any additional funds prior to tasking the contractor with closeout activity determined to be over and above existing contract requirements.

Section 4 - Periodic Financial Reconciliation

The purpose of periodic financial reconciliations is to reduce problem disbursements and ensure accurate posting of obligations through immediate research and corrective actions. This goal is primarily the responsibility of DFAS and the financial resource manager. However, buying activities to include program managers, PCOs and ACOs are encouraged to initiate periodic fund reviews in coordination with their resource managers to ensure the financial records remain in balance. When a contract is ready to close, the total amount for obligations should match the total amount of disbursements. However, for cost and incentive type contracts, the system may identify unliquidated obligations (ULOs), excess or remaining funds, or negative ULO balances where the amount of funds disbursed exceeds the amount of funds obligated. These discrepancies must be resolved before a contract can be closed, but sooner is better than later. During the course of the contract, whenever ULOs or negative ULOs exist that cannot be explained; the ACO will perform a reconciliation of contract obligations while DFAS conducts disbursement reconciliations. DFAS conducts both obligation and disbursement reconciliations to ensure that unliquidated balances are correct.

For cost type contracts, a periodic review should trigger action to deobligate excess funds that will not be required for payment after the final settlement. Periodic reviews can identify potential billing, obligation, invoice or payment problems as well. More importantly, the buying activity may avoid having to use current year funds to pay an old bill where funds that were earmarked for payment have cancelled and are no longer available. Deciding how much money to retain on a contract due to ULO balances (the result of cost underruns, unearned incentives,

withheld fees, etc.) is a judgment call with a certain amount of risk for the CO. In the past, buying offices have generally erred on the conservative side, retaining all excess funds until the contractor was fully paid, but recent changes in the FAR have reduced the risk from faulty judgment. Earlier release of funds owed to the contractor is now possible, minimizing the "unknowns" associated with final payment when:

a. The contractor has submitted the final indirect cost proposal to the cognizant CO, [FAR 42.704 \(e\)](#) authorizes the contractor to bill for the proposed indirect costs (adjusted for costs disallowed on prior proposals).

b. Fee clauses authorize the contracting officer to release up to 90% of the withheld fee amounts when the contractor has acceptable past performance related to submission and settlement of final indirect cost-rate proposals.

Periodic reconciliation can still be a problem for the buying office even after the ACO has reconciled the data in MOCAS since a contract should not close until both the MOCAS/entitlement system and the accounting systems are in balance. Data in the procurement, administration/payment, or accounting systems may not match because, though related, these systems are not fully integrated and use varied formats. Each system is driven by individual functional area requirement needs (financial management versus contracting versus entitlement) and contains different data element structures and data entry methods. In addition, many of these interfaces are still primarily manual and keystroke errors cause discrepancies and time lags. Also, because of system glitches, transactions periodically will not flow from one system to the other as they should. Although future systems promise to eliminate these problems, they will not resolve existing problems with contracts awarded before more robust systems come along. As a result, the MOCAS system will not automatically allow closeout of either procurement or accounting system records without reconciliation. Obligations and disbursements must be accurately recorded in the accounting system prior to retirement at the accounting station. COs can support the reconciliation process by ensuring all obligation documents have been received and posted correctly on an on-going basis.

The official financial and accounting system for Air Force is the General Accounting and Financial System-Base Level/BQ, also referred to as "GAFS-BL/BQ or GAFS/BQ." For central procurement accounting, GAFS-BQ replaced the Central Procurement Accounting System (CPAS) in FY04. GAFS-BQ is owned and managed by DFAS-DE (Denver). All CPAS historical records now reside in GAFS-R Data Mart, which is, contract number oriented and the system retains transactions for the life of the contract. Additional information on GAFS-BQ can be obtained on the [HQ AFMC/FM](#) web page.

The MOCAS entitlement system interfaces with the accounting system by transferring pre-validated payment data into GAFS-/BQ. If everything matches between the data sent by MOCAS and the obligations recorded in GAFS-BQ, then GAFS-BQ transmits an "okay-to-pay" notification back to MOCAS. During this step, GAFS-BQ processes and records an Accrued Expenditure Unpaid (AEU) transaction. When data does not match between the two databases, a DFAS technician must re-verify the data between the two systems to resolve the discrepancy and validate payment. One tool used to resolve discrepancies between MOCAS and GAFS-BQ is the Standard Contract Reconciliation Tool (SCRT) system. Generally this type of periodic

reconciliation is performed by DFAS, but the buying activity resource manager may also use SCRT. This system allows the user the capability to compare the accounting and MOCAS databases. To use SCRT, the user must enter the contract number and SCRT will provide the ULO Summary Report; a listing of matching and non-matching entries from both databases. SCRT identifies discrepancies in obligation and disbursing information that result in unmatched disbursements and negative ULOs. In most cases, posting errors, typographical errors or distribution/receiving problems cause the discrepancies. To assist in the reconciliation process, the resource manager to retrieve obligation and expenditure data can use Electric Data Access (EDA) and Electronic Data Interface (EDI). Once payments are validated (the payment matches the available fund cite), the payment information is sent back to the field site via GAFS-BQ by means of an electronic Contract Payment Notice (CPN).

Section 5 - Monitoring and Tracking

DoD Database Systems

DoD agencies use a variety of database systems for the management, payment, accounting and reporting of DoD contracts. The Mechanization of Contract Administration System or “MOCAS “ is the primary tool used to manage DoD contracts, however other database systems involved in the contract management process are:

Standard Contract Reconciliation Tool (SCRT): developed as a DFAS tool to reconcile MOCAS paid contracts. The SCRT user’s guide is located at <https://dfas4dod.dfas.mil/systems/scrt/userguide.pdf>.

Contract Reconciliation System (CRS); similar to SCRT, with a few significant differences. SCRT is available to designated DoD government personnel, but only DFAS is able to input into CRS. CRS can be used to directly update MOCAS and, unlike SCRT, the limitation on new records does not exist.

Electronic Data Access (EDA): provides web based, on-line access to share, store, and view contracts, modifications, vouchers and other documents electronically.

Shared Data Warehouse (SDW): DFAS system that also provides a central repository of uniform data for shared access. The SDW database receives file transfers of contract awards and modifications and is updated daily. It is an excellent system to monitor contract placement, contract management and contract payment. Usage during the contract life cycle can dramatically enhance the management of complex acquisitions by:

- Reducing Negative Unliquidated Obligations and Overpayments
- Reduce Hardcopy Contract Output
- Prevent Unmatched Disbursements
- Improve Visibility of Contract Deliverables
- Reconcile throughout Contract Life Cycle

SDW is a query-only web site and requires a User-ID and password. The web address is: <http://www.sdw.dcma.mil/>. Both EDA and SDW are good sources for obtaining originating documentation that can be used to support and/or compare MOCAS accounting record summaries.

Wide Area Work Flow (WAWF): a paperless application to eliminate paper from the receipt and/or acceptance and invoice and/or payment process. WAWF provides authorized DoD personnel the ability to generate, capture, and process payment related documentation via interactive web-based applications.

Commander's Resource Integration System (CRIS): a windows-based query, reporting and analysis tool used to access accounting data from various legacy systems. CRIS receives daily feeds from the DFAS Centers that are then published on the CRIS server for each MAJCOM.

CONTRACTS THAT REOPEN IN MOCAS:

Each month some contracts reopen in the MOCAS system because data discrepancies were not resolved prior to closure. MOCAS (R5 line) will indicate the contract was reopened and show the date the contract was reopened. The major reasons why contracts reopen are open line items, unpaid invoices, unexplained dollars on the ULO line, or the invoice is incorrectly coded with a "Z" or final payment indicator prematurely. When a contract systemically reopens because of a ULO balance it can indicate failure of the Q-Final process to deobligate remaining funds because of missing data on the MOCAS master appropriation table or out-of-balance financial conditions. In cases where the contract has closed due to an incorrectly coded invoice with a "Z" indicator, the ACO or DFAS may manually reopen the contract. DFAS and DCMA have the responsibility to determine the reasons for reopened contracts and take appropriate actions to re-close the contract. However, in many instances, the ACO is not notified when or why contracts reopen. These contracts should be monitored to ensure they continue to move forward in the closeout process. Contracts that remain reopened for an extended period may indicate the ACO is unaware the contract reopened and should be contacted so proper action can be taken.

FAR CLOSEOUT STANDARDS per [FAR 4.804-1](#):

Contracts <\$100,000	upon receipt of property and final payment
All Other Fixed Price	6 months
Cost Contracts	36 months
All other contracts	20 months

The time standards for closeout are generally established by contract type and are based upon the complexity of the closeout process. Tracking closeout against these standards or using the advanced search tool in the ConWrite closeout workbasket can be an effective trigger to follow-up with the ACO. Closeout administration for DCMA administered contracts begins with the issuance of the automated Interim PK9 Indicator, an advisory notice that a contract is physically complete. This information is input into MOCAS by the ACO and generates an

electronic notice. MOCAS interfaces this data to ConWrite via the ConData system on a daily basis.

ConWrite users who have been given closeout permission by the ConWrite administrator may access the closeout workbasket from a button on the ConWrite workbasket screen. ConWrite closeout screen information that may be effected by MOCAS PK9/PKX data will be the closeout status, ULO dollars, ACO estimated closeout, Final DD250, and ACO signed DD1594. These fields are also updatable by the contracting office if the contract is not DCMA administered. **Contracts exceeding the FAR timeframes above are considered Overage (for closeout) and this can be determined by the closeout status code in the ConWrite closeout workbasket. Other status codes of note in the workbasket include: Delinquent (the final DD Form 250 has not been issued and the contract expiration date has elapsed) and Inactive Overage (the contract is overage to closeout because of a R-2 Reason for Delay code by the ACO of M, Q, R, S, or T (see codes below).** When the contract is ready for closeout a completed DD1594 may be printed from the ConWrite closeout screen. **More information on the ConWrite closeout workbasket can be found at: <https://www.msg.wpafb.af.mil/pi/ConWrite/tutorials/Contract%20Closeout.pdf>.**

Where the buying office has retained contract administration, the contracting officer is responsible for completing all of the steps associated with contract closeout (see [Appendix A](#)). To fully document and track the closeout process for contracts above the simplified acquisition threshold use of [DD Form 1597](#), “Contract Closeout Check-List” is recommended (see Appendix C, Sample Forms). After obtaining the contract completion statement (final PK9 or manual DD 1594), the PCO must ensure that all required contractual actions have been complete and close the contract files "as soon as practicable.”

MOCAS OVERAGE – REASON FOR DELAY CODES:

Each buying office should monitor the contract closeout activity by the ACO and DFAS to further ensure a smooth closeout process. The buying office generally has the most complete contract files for obligation/deobligation records, property clearance, patents, quantity ordered, etc. that may be missing from the ACO/DFAS contract file. Contractors are encouraged to timely submit their final invoice and proposal for settlement of overhead rates. When closeout delays occur and the contract is beyond the normal closeout time standard, the DCMA ACO is responsible for coding all Part A contracts in Section 2 of MOCAS with an estimated Completion Date (ECD), and the Reason for Delay (R2) Code. By reviewing the R2 codes, the buying office may be able to assist the ACO/contractor in resolving the delay. The following list identifies the MOCAS reason for delay (R2) codes for overage contracts:

MOCAS Reason for Delay (R2) Codes:

Code	Description	Code	Description
A	Contractor has not submitted final invoice/voucher	M	Negotiation of overhead rates pending
B	Final acceptance not received	N	Additional funds requested but not yet received
C	Contractor has not submitted patent/royalty	P	Reconciliation with paying office and contractor being accomplished

D	Patent/royalty clearance required	Q	Armed Services Board of Contract Appeals case
E	Contractor has not submitted proposal for final price redetermination	R	P.L. 85-804 case
F	Supplemental agreement covering final price redetermination required, including negotiation of contingent VE payment	S	Litigation/investigation pending/bankruptcy/labor law determination
G	Settlement of subcontracts pending	T	Terminated for Default
H	Final audits in process	U	Warranty clause action pending
J	Disallowed costs pending	V	Disposition of government property pending
K	Final audit of Government property pending	W	Contract modification pending
L	Independent R&A rates pending	X	Contract release and assignment pending
Y	Awaiting notice of final payment	Z	Disposition of classified material pending
6	Fee withhold	7	Awaiting removal of excess funds

MOCAS Contract Accounting Report (CAR) Section Indicators

The CAR's internal purpose at DCMA is to indicate the status of a contract for tracking purposes. At the time of the electronic routing of the final PK-9 Indicator, the contract will be in Section 5 (contracts closed during the period). Contracts in Section 5 indicate that they are physically complete, the rates have been audited and all payment issues settled. The following describes the CAR Section coding:

1 – Active Contracts – delivery/acceptance, performance of services, or work statement requirements have not been met; or the option period or ordering period has not expired.

2 – Physically Completed – prime contracts (and all task/delivery orders, if any) for which final payments and/or certifications of completion that have not yet been made. All TO/DO's must be closed prior to closing the prime contract.

3 – Dormant – performance has ceased awaiting completion of an investigation or litigation.

4 – Payment/CLR Adjustments pending – contracts are entered into this section by DFAS and are retained there until reconciliation is completed.

5 – Contracts that were closed during the reporting period.

8 – Computer assigned section number at end-of-month processing for all contracts that were assigned to CAR Section 5 during the month.

9 – Administrative Closeout – On a monthly basis the system reviews all Section 9 contracts to determine if the closed date is older than six months. If so, the contract and inventory level data will be deleted from the MOCAS database.

Section 6 – Cumulated Allowable Cost Worksheet (CACWS)

A valuable closeout tool available to the contacting officer is the Cumulative Allowable Cost Worksheet (CACWS). The CACWS is used to determine allowable costs for closing contracts. It is defined in the DCAA Contract Audit Manual (DCAAM 7640.1) as a summary schedule of cumulative allowable contractor costs for each open flexibly priced (cost type) contract through the last contractor fiscal year for which indirect cost rates have been settled. It also notes which contracts are physically complete and other key information needed to validate final billings. The CACWS is normally submitted as a schedule in the contractor's incurred cost submission and is audited as part of the incurred cost audit. The CACWS are prepared using the contractor's claimed indirect rates and therefore, if necessary, is updated for the settlement of the rates. Closeout time can be reduced if the ACO decides an audit of the final voucher isn't necessary because the contractor's allowable costs were already audited and included on the CACWS. While the contractor is not required to submit a CACWS in order for its incurred cost proposal to be adequate, they are encouraged to do so because of the benefits and efficiencies gained in closing contracts timely. A significant reduction of resources necessary to close out a contract can result by using the CACWS as the final audit for the contractor's physically completed contracts for the applicable fiscal year. PCOs can request CACWS from the ACO or the DCAA client executive.

Section 7 What Contractors Can Do to Simplify Closeout

Many overage DoD contracts cannot close because the ACO is awaiting contractor input, primarily submission of the final voucher, submission of the final indirect overhead rate proposal, or settlement of subcontracts. Successful closeout rests with the entire management team (DCMA, DFAS, the Buying Activity, etc.) and the contractor. The following list identifies what contractors can do to simplify closeout and keep the entire closeout process flowing smoothly.

- Adhere to the patent/royalty requirements in the contract
- Track funds and respond to the Limitation of Cost/Funds Clause
- Prepare and distribute DD 250s properly
- Track payments and verify accuracy
- Immediately report overpayments
- Furnish Overhead Rate Submission within 6 months after the end of their fiscal year
- Upon settlement of overhead rates – prepare final vouchers within 4 months
- Prepare adjustment vouchers for contracts that will remain open with additional unsettled overhead years
- Review any contracts that may qualify for Quick Closeout procedures (FAR 4.804-5)

Section 8 – Early Closeout of IDIQ Contracts

Early closeout is a method used by ACO's to close task orders prior to settlement of indirect cost rates. Early closeout is different from mandatory Quick Closeout procedures prescribed in FAR 47.708 (see also Section 9 and Appendix A herein). This practice is acceptable since ACO's do not consider these types of task orders to be individual contracts.

Incremental closure of delivery orders under indefinite delivery indefinite quantity (IDIQ) contracts can streamline contract closeout dramatically. Closing individual orders serves to reduce or remove excess funds that can then be used for other purposes.

Candidates for early closeout procedures are those IDIQ contracts that contain [FAR Clause 52.232-7](#), “Payments Under Time-and-Materials and Labor Hour Contracts.” The ACO will evaluate/assess each contractor’s accounting and billing systems to ensure that minimal adjustments would be required for the final voucher. By establishing early closeout procedures at the on-set of the contract, the ACO will recommend to the PCO that early closeout procedures be utilized. Upon PCO concurrence, the ACO will also notify the contractor and DCAA that early closeout will be utilized. During the course of the IDIQ contract, the ACO will hold open enough delivery orders to satisfy the withhold requirement and, to the greatest extent possible, the orders held open will include sufficient costs for each fiscal year of contract performance. The ACO can establish early closeout after the fact when cost effective by issuing a bilateral modification to administratively close the orders, mindful of unliquidated balances, canceling funds and the period of performance on each order.

Section 9 – Quick Closeout

Quick Closeout is a mandatory, streamlined closeout process authorized under FAR 42.708. HQ DCMA authorizes a class deviation allowing the ACO to close certain contracts prior to establishment of final indirect cost rates *regardless of dollar value or the percent of unsettled indirect costs allocable*. This deviation may be used provided the contractor has submitted a final certified indirect rate proposal that is audited by the DCAA. However, this procedure is subject to certain conditions such as: 1) It applies to cost-reimbursement, fixed-price incentive, fixed-price redeterminable, and time-and-materials contracts, 2) ACOs shall use either the DCAA recommended rates or other rates mutually agreed to by the ACO and the contractor in determining the final indirect expenses and 3) The audit requirement may be waived when compelling reasons exist. This deviation is not used when significant open cost issues exist, such as noncompliant Cost Accounting Standards (CAS) issues or contracts in litigation. The current class deviation expires 30 Sep 05; however, it is historically renewed each year.

Section 10 - Final Closure

Once all FAR Part 4 requirements are completed and the ACO inputs the evidence of final payment, MOCAS generates a Notice of Last Action (NLA) to the ACO identifying the balance of ULO funds. If there is no ULO balance remaining, no open issues, and all administrative functions are complete, the ACO accepts the NLA with a Final Notice of Last Action (FNLA) response and the contract closes overnight. When there is a contract balance of funds, the ACO verifies and annotates within the MOCAS “ACO Notebook” the amount of remaining funds to deobligate, and processes the FNLA. In turn, MOCAS generates a “Q-Final” transaction, which identifies the amount of remaining funds and reports the balance on the PK9. The contract will move to section 5 overnight and reopen in section 4 for a short period of time. During this time, DFAS must verify that the remaining funds match the ACO MOCAS

annotations. Once this action is complete, the contract will close. The ACO will not automatically provide a manual DD Form 1594 since the system generates an electronic final PK9. Upon notification of contract completion, the PCO is responsible for ensuring that no open actions remain on the contract, all administrative matters are completed, and that excess/remaining funds have been removed and the official accounting station's records have been closed after coordination with DFAS.

The PK9 or "Contract Completion Statement" is an electronic form/transaction systematically generated and retrievable by product centers, test centers, and laboratory buying office through ConWrite. J041 users are also able to receive PK9s. The PK9 is not delivered to the PCO as a hard copy or email. The PK9 is forwarded to the applicable procurement system: ConWrite for the product and test centers and the laboratories, and J041 for the logistics centers. ConWrite interfaces with the MOCAS system and signals when a contract is ready for closeout. The ConWrite system administrator can run a procedure in ConAward that transmits the MOCAS data into the ConWrite database. The PCO is responsible for checking the contract status in the applicable system and for printing the report of completion status. A DD Form 1594, the manual version of the Contract Completion Statement, is sent only to those organizations without the ability to receive a PK9. The following PK9s identify the completion status of the contract:

PK9-J: The contract is physically and/or production complete

PK9-X: The PCO has issued an interim delay notice to keep the contract open

PK9-Final: The contract has been closed in MOCAS

For contracts paid by DFAS-CO, the PK9 or DD Form 1594 is forwarded to the disbursement office. Within DFAS-CO, the PK9 or DD Form 1594 is transmitted to the reconciliation branch of the applicable payment branch, where a Q Final input is made manually to remove any remaining funds. (Remember, the removal of remaining funds can be done by DFAS and does not require a contract modification versus excess funds that require a CO issued contract modification.) Once the ULO fund balance is 0 dollars in MOCAS, the contract data file begins a six month journey through MOCAS non-active CAR sections, dropping assorted records from MOCAS retention until the contract data drops out of the system altogether. Contracts that drop out of MOCAS are still retained in the Closed Contract Database (CCDB) and can be accessed through MOCAS. At the end of each month a report is mailed to the buying activities funding station identifying remaining funds transactions for DFAS-CO. This is called the Air Force Monthly Q Obligations Underruns Report (or UYFR07). This report is used by DFAS accounting station in conjunction with the CO signed PK9 or DD Form 1594 to deobligate remaining funds from the official accounting system. Deobligated funds in current and expired status will return to the appropriation from which they were obligated while deobligated funds that are in canceled status are no longer available for any purpose and return to the U.S. Treasury.

The accounting station upon receipt of the signed DD Form 1594 has frequently identified discrepancies between MOCAS data and the official accounting records in GAFS-BQ. Since November 1995 DFAS-CO has controlled all payment and accounting systems for AF central procurement contracts. One result of this change is that COs have limited insight into internal disbursement adjustments made by DFAS. This can sometimes make it difficult to

reconcile buying office records with DFAS-CO records due to these internal DFAS adjustments. For further information on final reconciliations see Chapter 2, Section 4 herein.

Once the CO has deemed the contract is administratively and financially complete, the contract files can be staged and processed for final disposition. Duplicate or working files should contain no originals that properly belong in the official files. Destroy working files as soon as practicable once they are no longer needed. Retain pricing review files, containing documents related to reviews of the contractor's price proposals, subject to certification of cost or pricing data for 6 years from the date of last payment. If it is impossible to determine the final payment date in order to measure the 6-year period, retain the files for 9 years.

Completed contract files should be held in the responsible office until final ACO and DFAS closure is confirmed. The records may then be sent to the local records holding or staging area until they are eligible for destruction. Before sending the records to staging it is recommended the CO double-check MOCAS to make sure the contract has not reopened. About 1% of MOCAS contracts systematically reopen for various reasons. Ensure the contract is closed in MOCAS before sending it to staging! Once at staging, the time period for retention prior to destruction is typically 6 years and 3 months after final payment. This may vary based upon unique situations such as special security restrictions or foreign military sales involvement. If space is not available locally, files may be transferred to the General Services Administration Federal Records Center. Usually this is done using a standard Form 135, "Records Transmittal and Receipt" (see Appendix C, Sample Forms). Documents may also be retained in other than paper format; e.g., microfilm and various electronic media. In some instances the Federal Records Center will contact the organization that transferred the contract to confirm destruction is actually to take place. In all instances, maintain good records of staging, destruction and transfer of contracts for future reference.

CHAPTER 2

Common Closeout Problems

or

**What do you mean the contract uses Armed Services
Procurement Regulation (ASPR) clauses?**

Section 1 - Contract Completion

A contract can have a life of its own long after the project is finished. Sometimes it may be a lack of resources and/or emphasis on the end of the acquisition process. The contract file may get pushed to the back of the drawer, then moved to the filing cabinet down the hall, then packed into miscellaneous boxes while the buying office is relocated to a new building or command, eventually stacked in some storage closet, and finally delivered in a less-than-pristine condition to someone who's never heard of the program. The program office may be long gone, leaving the PCO and resource manager to complete the contract closeout process. Packing the file back into the box to await the next "unsuspecting" CO is not an option – closeout will just get uglier with age! When a contract has been identified for closure:

(1) Organize the file, becoming familiar with what is and what is not available (making use of the DD 1597 Contract Closeout Checklist is a good idea). Try to locate any program managers or project officers identified in the contract file or on a successor program. Enlist senior management support to identify someone on the requirements side of the acquisition community to support final closeout.

(2) Check with your resource manager and the DFAS accounting field site to determine whether the accounting records are closed. Perform a thorough search of MOCAS and GAFS-BQ. Closure of the accounting system records is an indicator that contract performance was completed and the contractor paid. However, just because the accounting records may be closed, does not mean that the contract is administratively complete and therefore officially closed.

(3) Contact the ACO to confirm that the contract is administratively complete.

(4) Query either the ConWrite or J041 database systems to obtain a PK9 to confirm contract completion. If you are unable to determine closure status of the contract, contact the contractor to verify what records the contractor has substantiating closure.

(5) If all records applicable to the contract action have been destroyed, request written confirmation that the contractor considers the contract closed and all necessary closeout actions were completed, including property and classified disposition.

(6) Once you have substantiated that the contract is closed, document the file by including a manual DD 1594 or final PK9.

(7) Send the file to staging for retirement.

Section 2 - Contract Payment

DFAS is responsible for processing the contractor's final voucher or invoice and issuing the check or electronic funds transfer for payment. Currently there are five DFAS Centers: DFAS Columbus, Cleveland (Navy), Indianapolis (Army), Denver (AF) and DFAS Kansas City (Marine which has been recommended for closure by the Base Realignment and Closure (BRAC) commission). DFAS CO is the primary disbursing station for Air Force payments. There are additional field sites within the Centers that provide payment functions for other government agencies and local purchases, many of which are recommended for closure per the BRAC . For

further information on DFAS go to the DFAS government only web site at:
<https://dfas4dod.dfas.mil>.

Enactment of Public Law 101-510, 31 U.S.C. 1553 (Nov 90) significantly changed DoD's procedures and guidelines for access and disposition of expired and canceled appropriations. While the appropriation is in an expired status, within-scope upward obligation adjustments may be made, subject to the provisions of the upward obligation adjustment approval process and the availability of appropriation balances to fund the adjustment. If the appropriation has been canceled, then current year appropriations will be required for invoice payment. Upward obligation adjustments requiring current year appropriation funding are subject to a limitation of one percent of the current year appropriation and a requirement not to exceed the total availability of the canceled account, or the canceled merged account. Exceeding the above limitations can be an Anti-Deficiency Act violation.

Adjustments are categorized as: (1) upward obligation adjustments, (2) within-scope contract changes, or (3) changes in contract scope. The first category includes award and incentive fees, correction of administrative errors, correction of accounting errors, price inflation adjustments included in the original contract clause (economic and escalation price adjustments), labor wage redetermination, cost sharing per contract clause ratios, ratification actions, foreign currency fluctuations, claims, definitization of undefinitized contractual actions, cost overruns, contract closeout costs, incentive contracts funded from target to ceiling, and contingency items.

With certain exceptions, MAJCOM Comptrollers may approve the use of current year funds to process upward obligation adjustments for \$2M or less. Amounts over \$2M require approval by the Execution Directorate of Budget and Management, (SAF/FMBMC). Upward obligation adjustments to expired and canceled appropriations, including adjustments to correct accounting errors greater than \$2M (\$100K for within-scope contract changes and DoD appropriations) that involve any individual action or contract, must be approved by SAF/FMBM before the adjustment may be recorded in the accounting records. Upward obligation adjustments between \$4M and \$25M (cumulative) must be approved by the OSD Comptroller. Adjustments over \$25M require congressional approval. All requests for upward obligation adjustments that are considered ordinary and within-scope contract changes and/or involve a canceled year account must be processed using the automated Obligating Adjustment Reporting system (OARS) program. The local buying activity resource manager can assist in this process.

Section 3 - ACO Closure (see also Appendix A)

The closeout process is flowcharted herein under Appendix A. The majority of Air Force contracts are delegated to DCMA for contract administration, however for those contracts where the buying activity retains administration, all closeout tasks are the responsibility of the PCO, the resource manager and the program manager/project officer.

Continuous communication between the buying office and the administration office will assist the ACO in resolving potential conflicts and reduce misunderstandings later on. Written follow-up with easy-to-answer form letters is a good practice to exercise. The ACO is responsible for notifying the PCO if the contract cannot be closed within the time period

specified in the FAR. The ACO posts status information in the ACO notebook, as well as coding closeout status in the MOCAS system. MOCAS should be the first place the buying activity looks to obtain current status information on the submission, audit, and negotiation of overhead rates, litigation status, reconciliation efforts, closeout status, etc. In addition, DCAA and DCMA track the status of overhead settlements and can provide status for contractors within their cognizance upon request.

The DCMA ACO has a vested interest in closing contracts on time. Overage closeout statistics are monitored and tracked at the district, command and DoD levels regularly. Closeouts which require buying office action, e.g., patent rights reviews, disposition of classified material, or replacement of funds, may be slipped more easily to the back of the stack of “things to do.” For the PCO, contract management means staying on top of the whole process to ensure the ACO receives acceptance documents on time and that the buying office is responsive to the ACO’s requests for support

Upon receipt of government direction to terminate effort under a contract or when the contract becomes physically complete; the contractor is required to screen all excess property and request disposition instructions from the PCO. The DCMA CAO assists greatly in the screening process, especially when there is a DCMA in facility presence or a local plant clearance officer’s assistance can be enlisted. When the contractor identifies assets that will be needed for other in-house government contracts, the accountability for these assets must transfer to the gaining contract. This can be accomplished by the ACO with the concurrence of the “gaining” and “losing” PCOs. Remaining excess property identified by the contractor on inventory schedules is submitted to the Plant Clearance Officer (PLCO). The reutilization of excess property is managed through the plant clearance process by DCMA.

DCMA and DCAA will ask that the buying activity negotiate a Memorandum of Agreement to accelerate the closeout process for large contracts or groups of contracts. This provides DCMA and DCAA a better assessment of their anticipated workload.

Attention to contract closeout increased significantly once matching of obligations to disbursements became a reality, Service accounting responsibilities were merged into DFAS, and the MOCAS entitlement system was scheduled to be replaced. In response, DoD chartered a DoD MOCAS Contract Closeout Working Group to streamline the closeout process and close contracts. The MOCAS Working Group includes members from the OSD Comptroller, OSD Acquisition, Technology and Logistics, each Service, DCMA, DCAA and DFAS. The Working Groups focus is to evaluate and assess closeout strategies and closeout of overage contracts. Since 1999, considerable success has been made in the overall reduction in the number of contracts to close and the enactment of the Special Temporary Contract Closeout Relief legislation.

Section 4 – Final Reconciliation

At the end of the contract the total funds obligated should match the total payments made to the contractor, inclusive of the final payment. Cost underruns, unearned incentives, withheld fees, etc., can result in ULO fund balances that must be resolved at the completion of the contract. When fund balances (either negative or positive) exist that can’t be explained, final

contract reconciliation may be required. DFAS CO has lead responsibility for the final reconciliation process; however DFAS will rely on the ACO, DCAA and the buying activity for assistance.

All contract reconciliation efforts must be registered in the DFAS Standard Contract Reconciliation Tool (SCRT) system. SCRT serves as a central registry database for all contract reconciliations that has MOCAS as the entitlement system. Registry ensures that there is no duplication of reconciliation efforts and facilitates monitoring and tracking of reconciliations and adjustments. The person responsible for performing reconciliations in accordance with DFAS procedures and DoD-wide perspectives is called a Responsible Contract Reconciliation Agent (RCRA). The RCRA ensures all adjustments are properly documented, verified, and posted. The RCRA also certifies, as the reviewing/approving official that all adjustments are correct and adequate. Since they also have the authority to ultimately decide whether to either accept and/or reject reconciliations, those buying activities performing reconciliation efforts must register their contracts in the SCRT database. Ensure that the cognizant RCRA is informed of all reconciliation efforts to avoiding duplication of effort. RCRAs must be government employees and are usually DFAS employees; however, the Services do have the authority to appoint Service RCRAs. The job of a Service RCRA is particularly difficult since they do not have visibility into DFAS internal adjustments made during the course of a contract, but are still required to certify as to the appropriateness and accuracy of all financial transactions.

In the final reconciliation process, the responsibility of the PCO is usually limited to working with the ACO, DFAS and the accounting station to ensure that obligation information is accurately recorded. Often the ACO or the buying office can assist DFAS by providing lost/misplaced obligating documents and financial data. Since the DFAS accounting systems are not fully integrated with the MOCAS system and separate Service entitlement systems existed into the 1990's, anomalies in the various database systems may not be found until the contract is in the closeout process.

For overage contracts, the final reconciliation process for the buying office can be complicated by the fact that MOCAS use to purge data within 6 months after ACO closure. However, MOCAS records since January 2001 are now retained indefinitely electronically in the Closed Contract Database (CCBD) system. With so much potential for loss of data before the CCBD; overage contracts present unique reconciliation difficulties. Becoming familiar with MOCAS and periodically checking the status of obligation and payment information can preclude unmatched disbursements before they occur.

Further information regarding the reconciliation process can be found in the DFAS RCRA Guide and Appendix. The guides can be found on the government DFAS web site: <https://dfas4dod.dfas.mil/library>.

CHAPTER 3

Closeout of

Other Transaction Authority Agreements

(Section 845, PL 103-160)

Section 1 – What are Other Transaction Agreements

Section 845 of Public Law 103-160 and 10 U.S.C. 2371 authorizes the use of Other Transactions (OTs) under certain circumstances for prototype projects directly relevant to weapons or weapon systems proposed to be acquired or developed by the DoD. This type of agreement (versus a “contractual instrument”) is treated by DoD as an acquisition instrument commonly referred to as an “Other Transaction.” Many of these agreements are awarded by the Defense Advanced Research Program Agency (DARPA). Note: This guide does NOT apply to OTs used to carry out basic, applied or advanced research projects in accordance with 10 U.S.C. 2371 (Technology Investment Agreements (TIAs)).

Section 2 - Closeout of OTAs

An OT is not a FAR based contract. The FAR does not generally apply to these types of instruments or “agreements,” however, many OTs do incorporate various FAR clauses (patents, data rights, etc) using sound business judgment and principals congruent with FAR based contracts. So, while OTs do not fall under FAR closeout process and procedures, the ACO/PCO should apply similar discipline and business acumen to close OT agreements. That is, prior to closing, the agreement should address: remaining funds, payments, obligations, excess funds, closure of subcontracts, resolution of classified material, patent/royalty clearances, final resolution of litigation issues, disposition of GFP, receipt of the final indirect overhead rate proposal, final invoice, contractor releases, etc. as appropriate. For further guidance see the DoD Other Transaction Guide (Jan 2001) that directs buying activities to also review procedures provided in the DCMA Instructions/Guidebook for contract closeout. Guidance that will facilitate agreement closeout is provided throughout this guide and covers the areas mentioned above. The manner in which one elects to proceed on closeout on an OT is more flexible than a traditional FAR based contract, however the bottom line is the agreement should still be financially, administratively and physically complete before the buying office considers the effort closed. FAR clauses incorporated into an OT agreement should be handled in much the same manner as one would if it were a FAR based contract; that is, obtain final patent releases if patents are involved, disposition GFP, etc. At a minimum, OT agreements should adhere to FAR mandated closeout timelines to ensure timely release of funds and a more efficient closeout process.

CHAPTER 4

Contracts Containing Long Term Warranties

Section 1 – Contracts with a Long Term Warranty

The FAR contains a number of warranty clauses for use in different acquisition situations. However, unless there are compelling reasons, the government may not purchase long-term weapon system warranties. In instances where long term warranties are offered routinely in the business world or are otherwise justified; consideration should be made as to how the long-term warranty will impact the final contract closeout process. While it may be tempting to hold-off on closeout until the long term warranty expires, it is highly recommended that such contracts be closed once all deliverables have been received and accepted, the contract is considered physically complete and otherwise administratively and financially complete. The method for proper tracking of warranted items (either by the government or a contractor) should be addressed early in the acquisition phase and incorporated into the contract prior to award. When it is the contractor's responsibility to track warranty items, the PCO should ensure that prior to award, the contractor has an adequate tracking system to identify and process warranty items beyond the contract physical completion date. The warranty provision, while incorporated into the contract, should also be a stand-alone document that survives beyond the contract period of performance. Buying activities should develop provisions that outline the warranty responsibilities of the parties. In addition, the contract should note that final acceptance of the applicable warranty CLINs/SubCLINs and approval of the final DD250Z are for contract closeout purposes only and does not relieve the contractor from responsibility for maintaining the warranty coverage as expressly specified in the warranty clause. The survivability of the long-term warranty does not in any way diminish, extend, or modify the validity or coverage of the warranty.

DCMA closeout guidance advises the ACO that as long as there is not a CLIN or money attached for extended warranty, the contract should not be held open just for warranty administration. Leaving a contract open simply for administration of a long-term warranty where no funds are involved is ill advised and can complicate and unnecessarily extend the closeout process.

CHAPTER 5

FY04/05 National Defense Authorization Act (NDAA): Temporary Contract Closeout Relief

Section 1 – FY04 National Defense Authorization Act

Section 804, “Special Temporary Authority to Close Contracts” of the FY04 National Defense Authorization Act (NDAA), authorizes the Secretary of Defense to settle any financial account on contracts entered into before October 1, 1996, that is administratively complete if the financial account has an unreconciled balance, either positive or negative that is less than \$100,000.00. This authority expires September 30, 2006. While the intent of the FY04 NDAA is to grant limited relief to close contracts with unreconciled balances under \$100,000.00, it was determined to be un-executable at the time because DFAS was unable to determine if contracts with positive and negative balances could be cross-leveled (or make use of fund balances to settle an account without regard to appropriation type).

Section 2 – FY05 National Defense Authorization Act

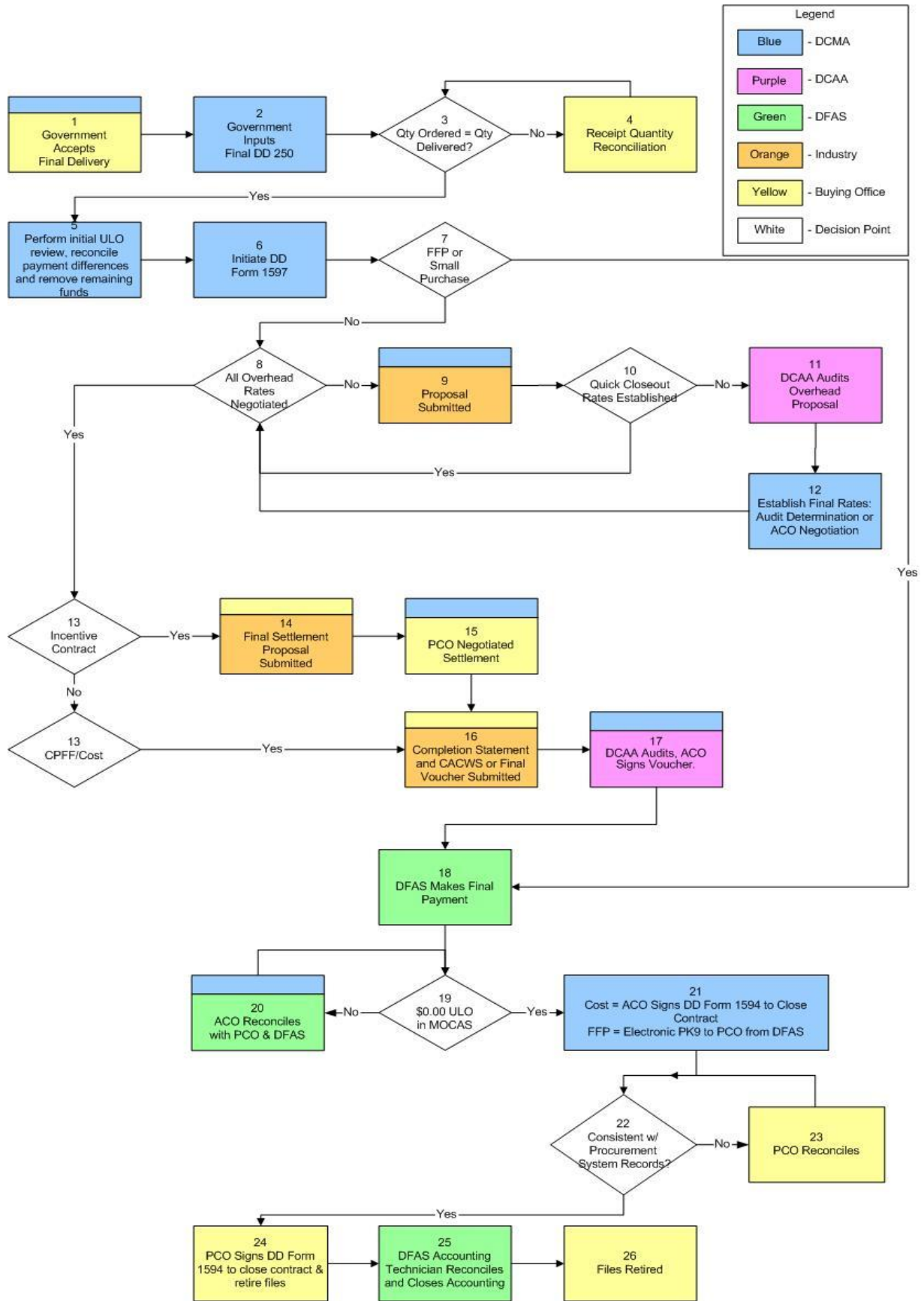
As a result of concern with existing constraints in fiscal appropriation authority the FY05 NDAA amends the FY04 NDAA and resolves such concerns and is more explicit in Congress’s intent of closing DoD’s oldest contracts.

DFAS is currently working to develop processes and procedures for implementation of Section 861 of the FY05 NDAA (Public Law 108-375). NDAA Section 852 and 861 allows for closeout of contracts meeting explicit criteria. Section 861 of the FY05 NDAA grants the Secretary of Defense the authority to settle any financial account for a contract entered into before Oct 1, 1996, that is administratively complete if the financial account has an unreconciled balance either positive or negative that is less than \$100,000. This authority is granted without regard to Section 1301 or Title 31, USC (Anti-Deficiency Act (ADA) and any other provision of law that would preclude the Secretary from charging payments under the contract to an unobligated balance in an appropriation available for funding that contract (leveling across appropriations within the contract or, if and to the extent that unobligated balance (if any) in such appropriation is insufficient for funding such payments, to any current appropriation that is available to the DoD for funding contracts for the procurement of same or similar property or services. As with the FY04 NDAA, authority granted under this section expires after September 30, 2006. The authority granted herein requires that such contracts are administratively complete and are not in litigation. In essence, this is recognition that the Services accounting records (versus the MOCAS entitlement/disbursement records) are the official DoD contract records. Implementation of this authority has the potential to grant relief on approximately 1,000 AF MOCAS contracts. Further, this authority is granted for all contracts, not just DFAS paid contracts. The progress on the closeout of these contracts will be monitored and reported to DoD by HQ DCMA and DFAS-CO. Additional implementation instructions are under development at the current time.

APPENDIX A

"The Process"

Contract Closeout Process Flowchart



Process Flowchart Block Descriptions

Block 1, Government Accepts Final Delivery: When all contract line items to be delivered under the contract have been shipped and accepted, the contractor annotates the final DD Form 250, Material Inspection and Receiving Report shipment number with a "Z". This "Z" DD Form 250 does not necessarily mean that all contract requirements are satisfied since patents, property, etc. may still be outstanding. In most cases, for example, firm fixed price contracts where delivery of the supplies described in the line items is the only contractual requirement, a "Z" DD Form 250 signifies physical completion. Although the exceptions to this requirement are extremely limited some organizations have authorized alternate acceptance procedures such as Certificates of Completion and Letters of Acceptance. These deviations hinder the ACO's ability to administer the contract and render useless the automated tracking of contract completion.

Regulatory Guidance

DFARS 246.370 requires the use of the DD Form 250 for supplies and services when there will be separate and distinct deliverables.

When items are submitted to the buying office for inspection and acceptance, it is essential to understand the importance of accuracy on the DD Form 250, with special attention focused on the final "Z" DD Form 250. Equally important is the corresponding responsibility to provide copies of the signed DD250 to the cognizant contract administration office and payment office. Appendix F of the DFARS contains procedures and instructions for the use, preparation, and distribution of the DD Form 250.

Block 2, Government Inputs Final [DD Form 250](#): For DCMA contracts, posting of the "Z" DD Form 250 into MOCAS results in the generation of an electronic, "interim" notice (PK9) to the buying activity. This indicates the end of contract shipment activity and notifies the contracting office that the contract closeout process is beginning. For contracts with retained administration, receipt of the final or "Z" DD Form 250 may be posted to the acquisition system or simply retained in the contract files, but it should trigger closeout activity.

Block 3, Validation of Quantity Ordered & Delivered: The "Z" DD Form 250 alerts responsible parties to review each line item to reconcile contract delivery requirements with actual contractor shipments. The "Z" DD Form 250 activates a MOCAS system check, comparing the ordered items against those delivered. For firm-fixed-price (FFP) contracts less than \$100,000 with no special contract provisions, the "Z" DD Form 250 should generate movement from the active to physically complete MOCAS system database. Cost contracts must be manually moved from the active to physically complete section of MOCAS. Others require manual intervention when the "on order" quantity does not match the quantity shipped and/or accepted. For contracts with retained administration, this validation of quantity ordered and delivered may be accomplished manually or may be managed within the applicable procurement system.

Block 4, Reconciliation of Quantity Ordered & Delivered: An imbalance between ordered and accepted/delivered contract items should be reported to the responsible contract administration organizations to research and resolve the problem.

Block 5, Perform Initial Review & Remove Remaining Funds: Final shipment and acceptance of the product/service on FFP contracts entitles the contractor to receive final payment. This is not true for cost and fixed price incentive (FPI) contracts. These require settlement of final overhead rates and incentives. In some cases, there are funds remaining on a contract that will not be required due to under-runs, price variance, rounding or in situations such as maintenance and repair contracts in which repairs were less than the original estimate. (Not to be confused with remaining funds, “excess” are defined as funds relating to a specific line item or deliverable that was not performed on a contract and a contract modification will be needed to deobligate these excess funds.) Because ACO settlement of overhead rates with DoD contractors can be a lengthy process, it is important to identify and remove remaining funds that are no longer needed for “direct charges” at the time of physical completion. Working with the contractor and the ACO is essential to adequately estimate the total government monetary liability that could result from allowable indirect rate adjustments under the contract. Historically, funds have generally been left on contract until completion of the settlement process.

Initial funds reviews should include reconciling disbursement issues with the ACO and the Field Site prior to deobligating funds. Deobligating remaining funds as early as possible is in the Air Force's best interest; however, it is equally important to work closely with the PCO to avoid deobligating more funds than may be needed for final payment.

Block 6, Initiate DD Form 1597: The ACO uses DD Form 1597, Contract Closeout Checklist, to process the contract closeout. For each item on the checklist, the ACO indicates completion dates, if applicable. It may be necessary to request the contractor to submit additional data. As a minimum, the following actions (if applicable) must be accomplished before a contract can be closed:

a. All Actions Definitized. Occasionally, urgent or unusual circumstances necessitate authorization for a contractor to start work on a contract action/change without a definitively negotiated price. The contract modification authorizing such effort must include a NOT-TO-EXCEED (NTE) or ceiling price and a definitization schedule. Prior to contract closeout, the ACO and PCO must work together to ensure that all actions under the contract have been definitized.

b. Subcontracts Closed. The prime contractor must go through procedures with its subcontractors who are similar to those used by the government. The ACO must ensure that all of the prime's subcontracts have been paid and closed before the prime contract can be eligible for contract closeout.

c. All Deliveries Accepted. The ACO must ensure all separately deliverable contract items such as hardware, data, software, spares, and support equipment have been delivered and accepted by the government before the contract can be closed out.

d. Final Patent Report. If the contract contains a patent-rights clause (FAR 52.227-12 or 13, or FAR 52.227-11 combined with DFARS 252.227.7039) a final patent report must be submitted by the contractor on a DD Form 882, Report of Inventions and Subcontracts, within 3 months of physical completion of the contract. It must list all inventions made under the contract or certify that there were no inventions and list all subcontracts at any tier containing a patent rights clause or certify that there were no such subcontracts. The ACO must obtain a patent clearance from the applicable patent office prior to contract closeout. Per DCMA contract closeout instructions, the ACO should include language in the letter to the PCO requesting final patent clearance on negative final patent reports that if a response is not received within 60 days, clearance will be deemed to have occurred. (The PCO should ensure that a negative patent response from the contractor is valid.)

e. Royalties Report. If the contract contains a refund of royalties' clause, [FAR 52.227-9](#), a final royalty report must be submitted by the contractor stating the royalties paid or required to be paid. This report must be submitted before final contract payment.

f. Termination/Claims/Disputes. All open actions and liabilities regarding terminations, claims, and disputes must be resolved prior to closeout. The government may at any time during contract performance fully or partially terminate contracts for default or for convenience. The government may terminate a contract for default when the contractor has materially breached the contract, i.e., failed to deliver contract items on schedule. Under termination for default, the contractor is liable for any subsequent acquisition costs of the terminated items. The government may also terminate a contract for convenience. Termination for convenience can occur as the result of Congress withholding funding of the project, or the program office or user determining that the item is no longer required. Pursuant to the Termination for Convenience clause the government is liable for certain costs.

A contractor at any time has a right to submit a claim against the government for a perceived government liability which at the time is not recognized in the contract. An example of such a claim is when the contractor submits a proposal because it asserts that a government individual by his actions required the contractor to accomplish effort not specified in the contract.

If a claim is denied by the government, or the government and the contractor cannot agree on certain other contract issues, the Disputes clause of the contract allows, under certain circumstances, the contractor to submit its dispute to a third party such as the Armed Services Board of Contracts Appeal (ASBCA) for resolution. Alternate Dispute Resolution is another means available to both parties.

g. Litigation Resolved. The contractor, under the Disputes Clause, may appeal a decision of the contracting officer directly to the Court of Federal Claims. Also, the prime contractor may sue or be sued by a subcontractor for damages related to the contract in question. The ACO and

PCO must work together to ensure that any litigation and resulting cost impact is resolved under the contract before the contract may be closed out.

h. **Warranty Resolved.** The FAR contains a number of warranty clauses suitable for use in different acquisition situations. Some of the warranty clauses can extend well beyond the physical completion of the contract. As long as there is not a CLIN or money attached for extended warranty, the contract should not be held open just for warranty. The contractor should have an adequate tracking system to identify and process warranty items beyond the contract physical completion date. Just because a contract is closed in MOCAS does not relieve the contractor of his contractual responsibility to perform under the warranty clause. When exercise of the warranty by the government would involve more contractor effort and costs, the government and the contractor must resolve all open warranty issues on the contract before it is eligible for contract closeout.

i. **Government Property Dispositioned.** Government property provided to the contractor during contract performance and not consumed must be dispositioned at the end of the contract. Any property acquired or manufactured by the contractor, but is excess to the contract at completion, may also become government property under certain conditions. This, too, must be dispositioned before contract closeout. The FAR provides procedures for proper disposition of such property, including contractor reporting of all government property, government review of the report, and specific instructions to the contractor as to whether the property is to be shipped, left in place, or scrapped.

j. **Classified Dispositioned.** All classified documents involved in the contract must be dispositioned in accordance with government security regulations and accounted for by the contractor before the contract may be closed. This can be accomplished when a final [DD Form 254](#), DoD Contract Security Classification Specification is issued indicating disposition or the contractor provides written certification that all data has been properly processed.

k. **Value Engineering Change Proposals.** If the contract includes [FAR 52.248-1](#), verify that there are no outstanding VECPs requiring payment or disposition.

The ACO and PCO must work together to ensure any and all of the above situations are resolved prior to contract closeout.

Block 7, FFP or Small Purchase: FFP and small purchase contracts are eligible for final payment upon completion of the applicable steps indicated under block 6.

Block 8, All Overhead Rates Negotiated: The "Allowable Cost and Payment" clause (FAR 52.216-7) provides for reimbursement of costs incurred during contract performance deemed "allowable" by the contracting officer, in accordance with procurement regulations and contract terms. In determining the allowable indirect costs, established overhead rates are applied to the allowable direct charges on the contract. One example of an indirect cost is manufacturing overhead, which represents costs incurred by the company that cannot be directly attributed to a specific contract (such as management salaries, buildings and maintenance).

Block 9, Proposal Submitted: FAR 52.216-7 requires the contractor to submit an adequate final indirect cost rate proposal to the ACO and auditor (DCAA) within the 6-month period following the end of the contractor's fiscal year. The indirect cost proposal includes the following: property tax, liability claims, allocation of corporate and interdivisional costs, mergers, downsizing, and the requirement to certify the overhead proposal. As a result, delays can occur frequently and escalate throughout the audit, review and rate negotiation process. Reasonable extensions for submitting the proposal, for exceptional circumstances may be requested in writing by the contractor and granted in writing by the ACO.

Block 10, Quick Closeout Rates Established: FAR 42.708 states the ACO shall negotiate the settlement of indirect costs for a specific contract prior to establishing final indirect cost rates when the following conditions are met:

- (a) The contract is physically complete;
- (b) The amount of unsettled indirect cost to be allocated to the contract is no more than \$1,000,000. (Note: The "unsettled indirect cost" does not mean the difference between the government rate objective and the contractor's rate proposal; rather, it refers to the total amount of indirect costs for which a final rate has not been negotiated);
- (c) The cumulative unsettled indirect costs to be allocated in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. (Note: The 15 percent restriction can be waived by the contracting officer based upon an acceptable risk assessment that considers the contractor's accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information); and
- (d) Agreement can be reached on a reasonable estimate of allocable dollars.

Block 11, DCAA Audits Overhead Proposal: DCAA reviews yearly submissions of the contractor's final overhead cost proposals. The audit will include an evaluation of both indirect and direct costs. The audit objective is to examine contractor cost representations to determine whether such costs are: reasonable, allocable to the contracts in accordance with generally accepted accounting principles (GAAP) and Cost Accounting Standards (CAS) and not prohibited by the contract, Government statute or FAR Part 31. DCAA provides a formal report of its findings to the ACO.

Block 12, ACO Negotiates Final Rates: Based on the DCAA audit report, the ACO negotiates the final overhead rates for the contractors under their cognizance. When multiple contractor divisions or entities perform contract work, each of the entities' overhead rates must be settled prior to contract closure. This also includes the corporate-level general and administrative costs negotiated by the corporate ACO that are allocated to each contract.

FAR 42.705 - Final Indirect Cost Rates shall be established on the basis of: (1) Contracting officer determination procedures (see FAR 42.705-1), or (2) Auditor determination (see FAR 42.705-2).

Block 13, Cost/CPFF/Incentive Contracts: Settlement procedures for cost or cost-plus-fixed-fee contracts require no further negotiation after rate settlement. Incentive type contracts, however, are still subject to submission and negotiation of the cost elements that will be used in the formula for the incentive arrangement.

Block 14, Final Settlement Proposal Submitted: If all overhead rates applicable to an incentive contract have been negotiated, the contractor is eligible to submit its repricing settlement proposal. The provisions of the incentive arrangement provide a formula to determine the amount of profit the contractor has earned and this formula is not renegotiated. However, cost elements used in incentive formulas, or cost type CLINs, are subject to this final settlement proposal. The final repricing proposal would include all outstanding cost issues including such items as unsettled claims and undefinitized contract modifications.

Block 15, DCAA Audit and PCO Negotiates Settlement: Based on DCAA and ACO input, the PCO negotiates the final settlement proposal, and then normally processes a contract modification adding or subtracting funds.

Block 16, Completion Statement and Final Voucher Submittal: After either receipt of the final modification adding or reducing funds for an incentive contract, or within 120 days of all applicable overhead rates being negotiated under a cost contract, the contractor submits its final/completion voucher (SF1034) for the final payment. The final voucher is part of the "contract completion package," which includes the release of claims and other required documents. The release of claims is a signed record from the contractor stating that the government is released from all liabilities, demands, obligations, and claims on the contract.

Block 17, ACO Approves Final Voucher: The Defense Contract Audit Agency (DCAA) is responsible for auditing the final voucher on cost contracts to ensure all costs are allowable and allocable. The ACO approves the final voucher and submits it to the Defense Finance Accounting Service (DFAS) for final payment. If a Cumulative Allowable Cost Worksheet (CACWS) is submitted, then the final voucher does not have to be audited.

A valuable closeout tool available to the contracting officer is the CACWS. The purpose of the CACWS is to streamline the closeout process. The CACWS is used to determine allowable costs for closing contracts. It is defined in the DCAA Contract Audit Manual (DCAAM 7640.1) as a summary schedule of cumulative allowable contractor costs for each open flexibly priced (cost type) contract through the last contractor fiscal year for which indirect cost rates have been settled. It also notes which contracts are physically complete and other key information needed to validate final billings. The CACWS is normally submitted as a schedule in the contractor's incurred cost submission and is audited as part of the incurred cost audit. The CACWS are prepared using the contractor's claimed indirect rates and therefore, if necessary, is updated for the settlement of the rates. Using the CACWS to close contracts is up to the ACO

and the ACO can always request an audit of the final voucher if they believe it is warranted. However, closeout time can be reduced if the ACO decides an audit of the final voucher isn't necessary because the contractor's allowable costs were already audited and included on the CACWS.

Block 18, DFAS Makes Final Payment: DFAS will issue the final payment on fixed price contracts after the contract ships complete and acceptance has been received. For cost reimbursement contracts, payment is only authorized after the ACO has certified that all actions are complete and has signed the final/completion voucher.

Block 19, \$0.00 ULO in MOCAS: Using MOCAS capabilities, the government identifies the unexpended funds or unliquidated obligations (ULOs) remaining, if any, on a contract. Note: The funds obligated are identified in Section G of the contract, and are also tracked in MOCAS.

After DFAS issues the final payment on fixed price contracts, the obligated funds should normally equal the total disbursements made. However, mistakes in shipments or payments, underbillings, undershipments, etc., will commonly result in ULOs at the end of the contract.

The ULO must be zero in order for a contract to remain closed in MOCAS, therefore any funds that are due to the contractor must be paid out prior to closure. Accordingly, funds that are deemed "excess" must be removed from the contract by a PCO/ACO issued contract modification. These funds are typically found on fixed price contracts and are usually attributed to undershipments or changes in quantities delivered.

After final payment is made on cost reimbursement type contracts, to include time & material contracts, ULOs are referred to as "remaining" funds. Generally these funds are due to cost underruns and are removed by DFAS internal adjustment "Q-final" transaction. A contract modification is not necessary to remove remaining funds from the contract in this situation.

When unexpended balances or ULOs exist that can't be explained, reconciliation is required using available documentation from the buying activity, DCMA, DFAS and the MOCAS database.

Block 20, ACO Reconciles with PCO & DFAS: When a ULO balance is discovered in MOCAS and it is determined the contract does not contain either Excess or Remaining funds, the ACO has the responsibility for reconciliation of the contract obligation records and the payment records. The ACO often must request DFAS and PCO assistance in performing the reconciliation, because the necessary records, information, and expertise are often not at the ACO's location. A comparison between various procurement and accounting station systems is performed. Cooperation between all parties will allow for timely dialogue and data correction, as well as minimization of idiosyncrasies as the day of final contract closeout approaches. Differences frequently arise because data is often manually and independently input. When this initial reconciliation does include accounting station records (at DFAS field sites), the process can include use of the Standard Contract Reconciliation Tool with manual review of source documents, i.e., contracts, modifications, payment registers, payment vouchers, etc., to determine the corrections and/or adjustments necessary.

Block 21, ACO Signs DD Form 1594 to Close Contract: MOCAS generates an automated electronic DD Form 1594 (a Contract Completion Statement, PK9-F, or final PK9) after final payment and reconciliation have been accomplished. Through a MOCAS and ConAward interface, a completion statement is transmitted for use by the buying activity. The contract file can be retired once a completion statement is provided/requested.

On all prime contracts (MOCAS Part A), the following PK9s are generated to offer insight as to the completion status of the contract:

PK9-J - indicates the contract is physically and/or production complete

PK9-X - indicates the PCO has issued an interim delay notice to keep the contract open

PK9-Final - indicates the contract has been closed in MOCAS

Block 22, Consistent with Procurement System Records: When there is a discrepancy between the procurement system records and the ACO's contract completion statement, including the identification of excess funds, the PCO must take reconciliation action.

Block 23, PCO Reconciles: The PCO compares the contract record of obligations to the ACO's obligation records, along with DFAS payment records, and MOCAS balances. The Commander's Resource Integration System (CRIS) may be used for additional support to review the GAFS-BQ records. Requesting a printout of the MOCAS obligation and disbursement records will facilitate the review and ensure consistency between MOCAS obligation records and the actual contract. Procurement system discrepancies must be resolved at this time. The contract is the common denominator between MOCAS data and the official accounting records (GAFS/BQ). The contracting officer is responsible to ensure obligations are accurately incorporated in the contract and that the contractor received full payment in accordance with the contract terms and conditions.

With the transfer of payments for all DCMA administered Air Force contracts to DFAS-CO in November 1995, DFAS gained control of all payment and accounting systems for Air Force central procurement. As such, contracting officers have limited access to disbursement data and no control over necessary correction adjustments, but clearly, accurate accounting records are in the best interest of the Air Force. As a result, the PCOs should provide support to the financial management community or to the accounting station to ensure obligations have been received and posted accurately, and provide any additional information to help others in payment (expenditure) reconciliation efforts.

Block 24, PCO Signs DD Form 1594 to Close Contract & Retire Files: Once all contract requirements have been met and, if necessary, any excess funds deobligated, the PCO signs or electronically annotates the DD Form 1594 or automated PK9 and retires the contract files, removing all extraneous materials from the files (duplicate copies, "post-its", paper clips, etc.). The contract completion date should be marked on the front of the folder, following the packing instructions and numbering systems specified in AFI 37-138 and AFMAN 37-139.

Block 25, DFAS Accounting Technician Reconciles and Closes Accounting Records: The contract is considered financially closed when the ULO for each accounting classification reaches zero. When final payment has been made and a non-zero ULO balance remains in the accounting system, the DFAS accounting station must reconcile the difference(s). A Responsible Contract Reconciliation Agent (RCRA) reconciles the records with those of the payment office and/or the PCO and ACO to ensure all contract modifications were received and properly recorded. AF Financial Management personnel assigned as RCRA's may assume some of the DFAS contract reconciliation responsibilities.

Block 26, Files Retired: The accounting station retires its contract files after final payment and reconciliation. Be prepared! This is a very specific and detailed task that can use up considerable administrative time.

APPENDIX B

Acronyms, Definitions, and Other Helpful References

Acronyms

CACWS – Cumulative Allowable Cost Worksheet

CDRL - Contract Data Requirements List

CPAS - Central Procurement Accounting System

CRIS – Commander’s Resource Integration System

DCAA - Defense Contract Audit Agency

DCMA - Defense Contract Management Agency

DFAS - Defense Finance and Accounting Service

DFAS - CO - Defense Finance and Accounting Service/Columbus Center

FFP - Firm-fixed-price

FPI - Fixed-price-incentive

GAFS - General Accounting and Finance System aka “BQ”

MILSCAP - Military Standard Contract Administration Procedures

MOCAS - Mechanization of Contract Administration Services

NULO – Negative Unliquidated Obligation

OPR - Office of Primary Responsibility

PWS – Performance Work Statement

SCRT – Standard Contract Reconciliation Tool

ULO - Unliquidated Obligation

Definitions

CANCELED FUNDS

Funds that are no longer available for ANY purpose (obligations/payments). Where funds have canceled, yet a valid invoice exists, the ACO will submit the final voucher to DFAS for payment. The voucher will reject for insufficient funds because the funds have canceled and will require the buying activity to provide current year funds to replace the canceled funds. DFAS codes such invoices as “DFAS Merged Account (DMACT)” in the MOCAS system. After verification, DFAS will request replacement funding from the funding source. If DMACT is used in MOCAS, it is for tracking purposes only.

CURRENT FUNDS

Funds that is available for obligation and/or disbursement/payment. The currency life is dependent on the type of funds, i.e., Operations and Maintenance (O&M) funds (3400) are available for new obligations for 1 year, procurement funds (3010, 3020, 3080) for 3 years, Research, Development, Test & Evaluation (RDT&E) funds (3600) for 2 years, etc.

EARLY CLOSEOUT PROCEDURES

The systematic closeout of individual task orders on an IDIQ contract by the ACO, thereby removing excess funds during the course of administering the IDIQ contract.

EXCESS FUNDS

Unliquidated obligations usually found on fixed price type contracts attributed to undershipments (quantity changes). These funds must be removed by issuance of a contract modification by the PCO/ACO. Examples: Contracted for 10 widgets, only 8 delivered, since contractor will not be delivering the other 2, a contract mod is required to change the contract delivery and funds from quantity of 10 to quantity of 8. Non-deliverable CLIN example: Contract calls for 5 trips, only 3 were performed; a mod is required to change the number of trips from 5 to 3 and remove the excess funds.

EXPIRED FUNDS

Funds that are no longer available for new obligations, but which can be disbursed for payments or obligated for upward adjustments. All funds are in the "expired" status for 5 years after the period ends for availability for obligation. At the end of the 5-year period, the funds are "canceled."

PHYSICAL COMPLETION

Occurs when the contractor has made all deliveries/performed all services, the Government has inspected and accepted all deliveries/services, and all option provisions have expired, or the contract has been terminated. Contractor submission of a [DD Form 250 “Z”](#) is the most common means of evidencing physical completion. Contract closeout activities begin at this point. All open actions and liabilities must be resolved prior to closeout.

QUICK CLOSEOUT

Streamlined procedures authorized by [FAR 42-708](#) allowing negotiation and settlement of indirect costs for a specific contract, in advance of the determination of final indirect cost rates under certain circumstances.

REMAINING FUNDS

Unliquidated obligations usually due to cost underruns (price variance, cost underruns, rounding, etc.) on cost type contracts (to include time and materials). These funds are automatically removed by DFAS Columbus via an internal adjustment or “Q-final” process in MOCAS. Where all contract performance as required by the contract has been completed the ACO will annotate the ACO Notebook with a remark that \$XX (Amount of Funds) funds are remaining funds. The ACO will process the Final Notice of Last Action (F NLA) in MOCAS. This allows the automatic removal of remaining funds in MOCAS and alerts the PCO not to reopen the contract and generates the PK9 transaction (notification that contract is administratively closed). The PCO is responsible for notifying the funding station so it may close the contract in their books. Example: Non-deliverable travel CLIN where number of trips is not specified and performance is complete and accepted. The money left over is considered “remaining funds” and the ACO will follow the “Q final” process to close. ACOs monitor final vouchers that require replacement funds ensuring that the invoice is coded as “DMACT” and included on the current DMACT list posted to the DCMA Canceling Funds page. The PCO is responsible for closing out the official accounting stations. The Q-Final internal adjustment does not automatically get to the accounting stations in a timely manner. The accounting station will remove excess funding at the discretion of the PCO.

STAGING

Records staging areas are storage areas that receive and maintain inactive records in less costly space and equipment than the Air Force uses in current file areas. For some AFMC centers, the staging area is utilized for all records with a retention period of eight years or less and for disposal of these records at the end of the retention period. A [SF Form 135](#), "Records Transmittal and Receipt" is used to record the contract files that have been boxed and sent to staging (see Appendix C, Sample Forms).

http://www.archives.gov/records_center_program/forms/sf_135_intro.html

References

[FAR Part 4.8](#) - Contract Files

[4.802](#) - Contract Files

[4.803](#) - Contents of Contract Files

[4.804](#) - Closeout of Contract Files

[4.805](#) - Disposal of Contract Files

[FAR Part 42.708](#) - Quick-Closeout Procedure

[DFARS 204.802](#) - Contents of Contract Files

[204.804](#) - Closeout of Contract Files

[204.804-1](#) - Closeout by Office Administering the Contract

[204.804-2](#) - Closeout of the Contract Files if another office administers the contract

[204.805](#) - Disposal of Contract Files

DCMA Contract Closeout Center Guidebook, Jun 2004

DoD Other Transaction Guide, Jan 2001

DFAS-CO Responsible Contract Reconciliation Agent (RCRA) Guide, Aug, 2000

AFI65-601 Volume I, Budget Guidance and Procedures, 3 Mar 05

APPENDIX C

Sample Forms

PK9 Indicator: or automated Contract Completion Statement – An electronic form/transaction systematically generated and retrievable by product centers, test centers, and laboratory buying offices through ConWrite. The PK9 is forwarded via the J041 for the Air Logistics Centers. The PK9 Indicator is generated by DCMA through the MOCAS system.

DD Form 250 - Material Inspection and Receiving Report - This is a multi purpose document which serves as: Evidence of inspection and acceptance, shipping document, packing list, shipping notice, receiving document, contractor invoice support document, contractor release, and/or contractor invoice.

DD Form 254 - "Contract Security Classification Specification" - Required for classified contracts covered by Defense Industrial Security Program. A final DD Form 254 is required at the time of contract completion or termination when the contractor requests and receives approval to retain classified material.

DD Form 882 – “Report of Inventions and Subcontract” – A form used by the ACO/PCO to track inventions required to be reported by a contractor/subcontractor in accordance with the patent rights and reporting clauses. In the AF Research Laboratory buying offices, the DD Form 882 is provided to the legal office for patent clearance prior to closure and only after all DD Form 882s are provided.

DD Form 1594 - "Contract Completion Statement" - (Facsimile included on the following page.)
- When signed by the ACO, it indicates that all required contract administration actions have been fully and satisfactorily accomplished. The ACO does not always prepare the DD Form 1594 but will generate an electronic PK9. The PCO also completes the DD Form 1594 by signing to clear/close the official accounting stations.

DD Form 1597 – “Contract Closeout Checklist” - An optional form used by the ACO to track the contract closeout process. For each item on the checklist, the ACO indicates completion dates by the applicable item.

SF 135 - "Records Transmittal and Receipt" - Used to record the files that have been boxed up and sent to staging.

PK9 INDICATORS

The PK9 Indicator appears as:

PK9F3460197D01720018AZS2401AFD203000026619B 02JUN0701NOV0102JUN07854100D06994 F

Individually, the data elements are represented as (per color match):

PK9	--	MILSCAP Document Identifier
F3460197D01720018AZ	--	PIIN/SPIIN (Order or Mod number): F3460197D0172 0018 MOD AZ
S2401A	--	DoDAAC Administration: S2401A
FD2030	--	Issued By: FD2030
00026619	--	Unliquidated Dollars: 00026619 (\$266.19)
B	--	Contract Closeout Time Group: B (<i>example</i>)
02JUN07	--	Physical Completion Date: 2002JUN07
01NOV01	--	Final Payment Date: 2001NOV01
02JUN07	--	Closed Date: 2002JUN07
854100	--	DSSN: 854100 (8541, last two positions zero-filled)
D06994	--	Final Voucher Number: D06994 (1st position zero-filled)
F	--	Transaction Status Indicator: F - Final (J = Physical Completion; X = Interim/Delay)

DD Form 250 – Material Inspection and Receiving Report

MATERIAL INSPECTION AND RECEIVING REPORT						Form Approved OMB No. 0704-0248
The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0248), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.						
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ADDRESS. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.						
1. PROCUREMENT INSTRUMENT IDENTIFICATION (CONTRACT) NO.		ORDER NO.	6. INVOICE NO./DATE		7. PAGE OF	8. ACCEPTANCE POINT
2. SHIPMENT NO.	3. DATE SHIPPED	4. B/L TCN		5. DISCOUNT TERMS		
9. PRIME CONTRACTOR CODE		10. ADMINISTERED BY CODE				
11. SHIPPED FROM (If other than 9) CODE		FOB:	12. PAYMENT WILL BE MADE BY CODE			
13. SHIPPED TO CODE		14. MARKED FOR CODE				
15. ITEM NO.	16. STOCK/PART NO.	DESCRIPTION <i>(Indicate number of shipping containers - type of container - container number.)</i>	17. QUANTITY SHIP/REC'D*	18. UNIT	19. UNIT PRICE	20. AMOUNT
21. CONTRACT QUALITY ASSURANCE a. ORIGIN <input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.			b. DESTINATION <input type="checkbox"/> CQA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		22. RECEIVER'S USE Quantities shown in column 17 were received in apparent good condition except as noted.	
DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: TITLE: MAILING ADDRESS:			DATE _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: TITLE: MAILING ADDRESS:		DATE RECEIVED _____ SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE _____ TYPED NAME: TITLE: MAILING ADDRESS: COMMERCIAL TELEPHONE NUMBER:	
COMMERCIAL TELEPHONE NUMBER:			COMMERCIAL TELEPHONE NUMBER:		* If quantity received by the Government is the same as quantity shipped, indicate by (X) mark; if different, enter actual quantity received below quantity shipped and encircle.	
23. CONTRACTOR USE ONLY						

DD FORM 250, AUG 2000

PREVIOUS EDITION IS OBSOLETE.

DD Form 254 – Contract Security Classification Specification

DEPARTMENT OF DEFENSE CONTRACT SECURITY CLASSIFICATION SPECIFICATION <i>(The requirements of the DoD Industrial Security Manual apply to all security aspects of this effort.)</i>				1. CLEARANCE AND SAFEGUARDING a. FACILITY CLEARANCE REQUIRED <div style="text-align: center; border: 1px solid black; padding: 2px;">INTERIM TOP SECRET</div> b. LEVEL OF SAFEGUARDING REQUIRED <div style="text-align: center; border: 1px solid black; padding: 2px;">NONE</div>			
2. THIS SPECIFICATION IS FOR: <i>(X and complete as applicable)</i>				3. THIS SPECIFICATION IS: <i>(X and complete as applicable)</i>			
<input checked="" type="checkbox"/>	a. PRIME CONTRACT NUMBER			<input checked="" type="checkbox"/>	a. ORIGINAL <i>(Complete date in all cases)</i>		DATE (YYYYMMDD) 20021219
	b. SUBCONTRACT NUMBER				b. REVISED <i>(Supersedes all previous specs)</i>	REVISION NO. 2	DATE (YYYYMMDD) 20040608
	c. SOLICITATION OR OTHER NUMBER		DUE DATE (YYYYMMDD)		c. FINAL <i>(Complete Item 5 in all cases)</i>		DATE (YYYYMMDD)
4. IS THIS A FOLLOW-ON CONTRACT? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO. If Yes, complete the following: Classified material received or generated under _____ <i>(Preceding Contract Number)</i> is transferred to this follow-on contract.							
5. IS THIS A FINAL DD FORM 254? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO. If Yes, complete the following: In response to the contractor's request dated _____, retention of the classified material is authorized for the period of _____							
6. CONTRACTOR <i>(Include Commercial and Government Entity (CAGE) Code)</i>							
a. NAME, ADDRESS, AND ZIP CODE				b. CAGE CODE		c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i>	
EPSILON SYSTEMS SOLUTIONS, INC. 2550 FIFTH AVE. SUITE 725 SAN DIEGO, CA 92103				1HQ30		DEFENSE SECURITY SERVICE (DSS) 16885 W. DERNARDO DRIVE, SUITE 150 SAN DIEGO, CA 92127-1619	
7. SUBCONTRACTOR							
a. NAME, ADDRESS, AND ZIP CODE				b. CAGE CODE		c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i>	
8. ACTUAL PERFORMANCE							
a. LOCATION				b. CAGE CODE		c. COGNIZANT SECURITY OFFICE <i>(Name, Address, and Zip Code)</i>	
9. GENERAL IDENTIFICATION OF THIS PROCUREMENT							
10. CONTRACTOR WILL REQUIRE ACCESS TO:				11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:			
	YES	NO		YES	NO		
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		<input checked="" type="checkbox"/>		a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY	<input checked="" type="checkbox"/>		
b. RESTRICTED DATA		<input checked="" type="checkbox"/>		b. RECEIVE CLASSIFIED DOCUMENTS ONLY		<input checked="" type="checkbox"/>	
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		<input checked="" type="checkbox"/>		c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		<input checked="" type="checkbox"/>	
d. FORMERLY RESTRICTED DATA		<input checked="" type="checkbox"/>		d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		<input checked="" type="checkbox"/>	
e. INTELLIGENCE INFORMATION		<input type="checkbox"/>		e. PERFORM SERVICES ONLY	<input checked="" type="checkbox"/>		
(1) Sensitive Compartmented Information (SCI)		<input checked="" type="checkbox"/>		f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		<input checked="" type="checkbox"/>	
(2) Non-SCI		<input checked="" type="checkbox"/>		g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER	<input checked="" type="checkbox"/>		
f. SPECIAL ACCESS INFORMATION		<input checked="" type="checkbox"/>		h. REQUIRE A COMSEC ACCOUNT		<input checked="" type="checkbox"/>	
g. NATO INFORMATION	<input checked="" type="checkbox"/>			i. HAVE TEMPEST REQUIREMENTS		<input checked="" type="checkbox"/>	
h. FOREIGN GOVERNMENT INFORMATION		<input checked="" type="checkbox"/>		j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		<input checked="" type="checkbox"/>	
i. LIMITED DISSEMINATION INFORMATION		<input checked="" type="checkbox"/>		k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		<input checked="" type="checkbox"/>	
j. FOR OFFICIAL USE ONLY INFORMATION	<input checked="" type="checkbox"/>			l. OTHER <i>(Specify)</i>			
k. OTHER <i>(Specify)</i>							

DD Form 882 – Report of Inventions and Subcontract - sample

REPORT OF INVENTIONS AND SUBCONTRACTS <i>(Pursuant to "Patent Rights" Contract Clause) (See instructions on back)</i>		Form Approved CMB No. 9000-0095 Expires Oct 31, 2004
The public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Executive Service and Contract Administration (9000-0095). Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid CMB control number.		
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM TO THE CONTRACTING OFFICER.		
1. a. NAME OF CONTRACTOR/SUBCONTRACTOR Raytheon Company	2. a. NAME OF GOVERNMENT PRIME CONTRACTOR Space & Naval Warfare Systems Command	3. TYPE OF REPORT (X one) a. INTERIM <input checked="" type="checkbox"/> b. FINAL 4. REPORTING PERIOD (YYYYMMDD) a. FROM 20030318 b. TO 20030731
b. ADDRESS (include ZIP Code) 7700 Arlington Blvd Falls Church, VA 22042	d. AWARD DATE (YYYYMMDD) 20030318	d. AWARD DATE (YYYYMMDD) 20030318
SECTION I - SUBJECT INVENTIONS		
5. "SUBJECT INVENTIONS" REQUIRED TO BE REPORTED BY CONTRACTOR/SUBCONTRACTOR (if "None," so state)		
NONE	NONE	CONFIRMATORY INSTRUMENT OR ASSIGNMENT FORWARDED TO CONTRACTING OFFICER (X)
1. EMPLOYER OF INVENTOR(S) NOT EMPLOYED BY CONTRACTOR/SUBCONTRACTOR (1) (a) NAME OF INVENTOR (Last, First, Middle Initial) (b) NAME OF EMPLOYER (c) ADDRESS OF EMPLOYER (include ZIP Code)	TITLE OF INVENTION(S) b.	DISCLOSURE NUMBER, PATENT APPLICATION SERIAL NUMBER OR PATENT NUMBER c.
(2) (a) NAME OF INVENTOR (Last, First, Middle Initial) (b) NAME OF EMPLOYER (c) ADDRESS OF EMPLOYER (include ZIP Code)	DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.	DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.
SECTION II - SUBCONTRACTS (Containing a "Patent Rights" clause)		
6. SUBCONTRACTS AWARDED BY CONTRACTOR/SUBCONTRACTOR (if "None," so state)		
a.	b.	f.
NAME OF SUBCONTRACTOR(S) a.	ADDRESS (include ZIP Code) b.	DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.
(1) (a) NAME OF INVENTOR (Last, First, Middle Initial) (b) NAME OF EMPLOYER (c) ADDRESS OF EMPLOYER (include ZIP Code)	TITLE OF INVENTION (1) TITLE OF INVENTION (2) FOREIGN COUNTRIES OF PATENT APPLICATION	DISCLOSURE NUMBER, PATENT APPLICATION SERIAL NUMBER OR PATENT NUMBER c.
(2) (a) NAME OF INVENTOR (Last, First, Middle Initial) (b) NAME OF EMPLOYER (c) ADDRESS OF EMPLOYER (include ZIP Code)	DESCRIPTION OF WORK TO BE PERFORMED UNDER SUBCONTRACT(S) e.	DISCLOSURE NUMBER, PATENT APPLICATION SERIAL NUMBER OR PATENT NUMBER c.
SECTION III - CERTIFICATION		
7. CERTIFICATION OF REPORT BY CONTRACTOR/SUBCONTRACTOR (for required if: X as appropriate)		
I certify that the reporting party has procedures for prompt identification and timely disclosure of "Subject Inventions," that such procedures have been followed and that all "Subject Inventions" have been reported.		SMALL BUSINESS or NONPROFIT ORGANIZATION
a. NAME OF AUTHORIZED CONTRACTOR/SUBCONTRACTOR OFFICIAL (Last, First, Middle Initial) Larson, Viki D.	b. TITLE Contracts Specialist	c. SIGNATURE 20040419
DD FORM 882, DEC 2001		PREVIOUS EDITION IS OBSOLETE.

DD Form 1594 – sample

CONTRACT COMPLETION STATEMENT		
1.FROM: (Contract Administration Office) SPAWAR COMMANDER SPACE AND NAVAL WARFARE SYSTEMS COMMAND 4301 PACIFIC HIGHWAY SAN DIEGO CA 92110-3127	2a.PII NUMBER 780031	
	2b.LAST MODIFICATION NUMBER _____	
	2c.CALL/ORDER NUMBER NS57	
3.To: (Name and Address of Purchasing Office and Office Symbol of the PCO, if known) SPACE AND NAVAL WARFARE SYSTEMS COMMAND 4301 PACIFIC HIGHWAY SAN DIEGO CA 92110-3127	4.CONTRACT IDENTITY CODE AND ADDRESS 0V2B2 DELL MARKETING LP ONE DELL WAY ROUND ROCK TX 78632-0001	
	5.EXCESS FUNDS <input type="radio"/> Yes <input checked="" type="radio"/> NO \$ _____	
6a. IF FINAL PAYMENT HAS BEEN MADE, COMPLETE ITEM 6b. AND 6c.	6b. VOUCHER NUMBER 4DCHFVC	6c. DATE 5/4/2004
7a. IF FINAL APPROVED INVOICE FORWARDED TO D.O. OF ANOTHER ACTIVITY AND STATUS OF PAYMENT IS UNKNOWN, COMPLETE ITEMS 7b. AND 7c.	7b. INVOICE NUMBER 1001	7c. DATE 4/4/2004
8. REMARKS _____		
9a. ALL ADMINISTRATION OFFICE ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. THIS INCLUDES FINAL SETTLEMENT IN THE CASE OF A PRICE REVISION CONTRACT		
9b. TYPED NAME OF RESPONSIBLE OFFICIAL	9c. SIGNATURE	9d. DATE 5/27/2004
FOR PURCHASING OFFICE USE ONLY		
10a. ALL PURCHASING OFFICE ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. CONTRACT FILE OF THIS OFFICE IS HEREBY CLOSED AS OF: <input checked="" type="checkbox"/> DATE SHOWN IN ITEM 9d.ABOVE. <input type="checkbox"/> DATE SHOWN IN ITEM 10e.BELOW. (Check this box only if final completion of any significant purchasing office action extends more than three months beyond close-out date shown in item 9d.above. In such cases, submit a copy of completed form upon final accomplishment of all purchasing office actions to the contract administration office. (Upon receipt, the contract administration office shall extend its contract file close-out date accordingly.)		
10b. REMARKS All contractual items are complete Contract obligations equal disbursements		
10c. TYPED NAME OF RESPONSIBLE OFFICIAL B.H. DEMAREE CONTRACTING OFFICER 02-41C	10d. SIGNATURE	10e. DATE 5/27/2004

DD FORM 1594, FEB 70 (EG)

REPLACES EDITION OF JUN 68 WHICH IS OBSOLETE

RECORDS TRANSMITTAL AND RECEIPT Complete and send original and two copies of this form to the appropriate Federal Records Center for approval prior to shipment of records. See specific instructions on reverse. PAGE **1** OF PAGES

<p>1. TO (Complete the address for the records center serving your area as shown in 36 CFR 1228.160)</p> <p style="text-align: center;">Federal Records Center</p>	<p>5. FROM (Enter the name and complete mailing address of the office retaining the records. The signed receipt of this form will be sent to this address)</p>		
2. AGENCY TRANSFER AUTHORIZATION	TRANSFERRING AGENCY OFFICIAL (Signature and title)	DATE	
3. AGENCY CONTACT	TRANSFERRING AGENCY LIAISON OFFICIAL (Name, office and telephone No.)		
4. RECORDS CENTER RECEIPT	RECORDS RECEIVED BY (Signature and title)	DATE	

Fold Line

6. RECORDS DATA												
ACCESSION NUMBER			VOLUME (or N)	AGENCY BOX NUMBERS	SERIES DESCRIPTION (NCR inclusive dates of records)	RESTRICTION	DISPOSAL AUTHORITY (Entirety and item number)	DISPOSAL DATE	COMPLETED BY RECORDS CENTER			
RG	PY	NUMBER							LOCATION	SHELF PLAN	CONT. TYPE	AUTO. DISP.
(4)	(8)	(4)	(4)	(4)	(1)	(4)	(1)	(1)	(1)	(1)	(1)	