

NROTC Supply Binder - Tab 4-2

SUBJECT: Ratification of an Unauthorized Commitment Regardless of Dollar Amount

PURPOSE: To inform commands within the NSTC Domain of the procedures in ratifying an unauthorized commitment resulting from the command violating acquisition and fiscal laws and regulations.

Although this tab is written with the NROTC units being the primary audience, the procedures and required documentation within applies to the entire NSTC domain. UACs committed outside the NROTC domain shall be routed through their respective chain of command.

OVERVIEW: An Unauthorized Commitment (UAC) is defined by the Federal Acquisition Regulations (FAR) 1.602-3(a) as “an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.” The only individuals who can bind the Government are warranted contracting officers, ordering officers and purchase cardholders acting within the limits of their delegated authority. Unauthorized commitments **VIOLATE** Federal law, Federal regulation, the Government-wide Standards of Conduct for Federal Employees, and Department of Defense Acquisition Regulations.

An unauthorized commitment occurs when the government receives services/supplies in which a properly executed funding document and an authorized spending vehicle (contract or GCPC) were not established **PRIOR TO** the services/supplies being ordered. It also occurs when the government receives and uses supplies or services that exceed limitations or violates program procurement rules on an existing spending vehicle.

There are severe consequences for all parties involved with the unauthorized commitment. Unauthorized commitments may result in disciplinary and personal liability of the expense and other damages incurred for the individual who made the unauthorized commitment.

The US Government **is not** liable to pay or provide any other type of compensation to a commercial company for services provided under any agreement entered into by any government official other than a warranted contracting/ordering officer or Government Commercial Purchase Card Holder that are operating within their legal limits and in compliance with program requirements.

Personnel responsible for unauthorized commitments are required to make a detailed written explanation of their actions and may be subject to disciplinary action, especially if violations are flagrant and/or repetitive.

The process whereby a designated Contracting Officer converts an unauthorized commitment to a legal contract is called a ratification. The Commanding Officer of the site where the unauthorized commitment takes place must sign the request for ratification, and this duty is non-delegable.

Ratifications can only be requested for services/supplies that would have been legally allowed to procure if the violator would have followed proper processes **AND** NSTC has the proper type of funding (OMN and OPN). Ratifications cannot be request through NSTC for UACs that would not have been legally allowable to procure or are required to be paid for by other types of funding.

DLA is the designated DoD office for contracting printers and copiers and NSTC has to follow their guidance. DLA guidance is to not treat late MIPR submissions for printer and copier services as a UAC, even though they admitted that they are technical UACs. Based off DLA's guidance, NSTC domain shall not treat late MIPR submissions as a UAC **UNLESS** DLA states otherwise. This does not excuse NSTC domain for not submitting the MIPRs on time.

NOTE 1: If the statement required by the individual responsible for the UAC is unavailable, the Commanding Officer, or civilian equivalent, should explain in the report the reason the individual's statement is not available and insure that all information required by this policy is provided to the best extent possible.

ACTION REQUIRED:

1. Commands shall ensure proper procedures are in-place and complied with to avoid the possibility of an unauthorized commitment.
2. The command in which the UAC occurred at is **SOLELY** responsible for properly preparing and submitting the "Request for Ratification of Unauthorized Commitment" package to include a draft of ALL endorsement/approval letters.
3. If the command in which the UAC occurred elects not to process the UAC Ratification package, the command shall ensure the vendor and service member/civil service worker are aware that the indebtness is between the vendor and the government member who committed the UAC **AND NOT** between the Vendor and the Government.
4. If a command utilizes alternate monies other than Government funds (appropriated or non-appropriated) or the violators pays the liability, a UAC no longer exists.
5. NSTC Contract Administrators role in the UAC process is limited to providing contracting specific technical assistance such as how to determine cost reasonableness, the submission of initial notification and completed UAC packages to contracting and act as a liaison between NSTC Domain and the contacting command.
6. Questions concerning proper correspondence formatting should be referred to your Admin Officer.
7. Assistance in determining whether your situation constitutes a UAC or have technical questions should be directed to NSTC Contract Administrators listed below.

Point of Contact:

Kevin Robinson
Contract Administrator
847-688-4141 Ext 447
kevin.g.robinson@navy.mil

Melanie Armstrong
Contract Administrator
847-688-4141 Ext 167
melanie.armstrong@navy.mil

Jerry Long
Logistics Director
847-688-4509 Ext 454
jerry.e.long@navy.mil

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References:

- (a) Federal Acquisition Regulations (FAR) 1.602-3
- (b) Navy Marine Corps Acquisition Regulations Supplement (NMCARs) 5201.602-3
- (c) Navy Marine Corps Acquisition Guidelines (NMCAG) Subpart G5201.602-3
- (d) Naval Supply Command (NAVSUP) Instruction 4200.83H
- (e) Naval Supply Command (NAVSUP) Instruction 4200.99C
- (f) Naval Supply Command (NAVSUP) Contracting Officer's Handbook
- (g) Navy Medical Logistics Command Ratification of Unauthorized Commitments Guidebook
- (h) Government Purchase Card Program Desk Guide 5.11
- (i) Department of the Navy Correspondence Manual SECNAV M-5216/5 CH-1

Overview of the Ratification of Unauthorized Commitment Process

1. Immediately upon being discovered, the violating command responsible for the UAC shall submit the Report of UAC Notification form to the Deputy Commander for NROTC Operations, NSTC Comptroller, NSTC Government Commercial Purchase Card Program Manager and NSTC Contract Administrator.
2. The NSTC Contract Administrator will assign a UAC Serial Number, log the incident in the NSTC UAC tracker log and submit the initial notification to the contracting command with award authority within 10 days of discovery. The NSTC Contract Administrator will respond to the violating command with the UAC serial number and verification of initial submission.
3. The employee(s) who committed the UAC, hereby identified as UAC perpetrator(s), is required to complete the “Employee Factual Statement of an Apparent UAC requirements” and submit it to their supervisor within 20 days from the UAC being discovered along with the following items. This is non-delegable.
 - (a) The employee(s) must accept full responsibility
 - (b) The employee(s) who committed the UAC is required to complete Navy E-Learning Training CFHP-NM-UAC-12-1.0 Prevention of Unauthorized Commitments and attach a copy of the completion certificate with the UAC ratification request package.
 - (c) System of Award Management printout: <https://sam.gov>
 - (d) Copy of the Product Service Code description:
https://www.acquisition.gov/sites/default/files/page_file_uploads/PSC%20Manual%20-%20Final%20-%2009%20August%202015_0.pdf
 - (e) Copy of the proper invoices as defined by FAR 32.905. (*located at www.acquisition.gov*)
 - (f) When more than one perpetrator was involved in the UAC, each perpetrator shall complete an “Employee Factual Statement of an Apparent UAC requirements”.
4. The employee’s supervisor(s) will complete the “Statement of Facts” endorsement and submit the package to the Commanding Officer within 25 days from the UAC being discovered. The “Statement of Facts” shall contain:
 - (a) Clearly describe why the UAC occurred
 - (b) Describe all corrective action being taken to ensure an UAC does not occur again.
 - (c) The disciplinary action awarded/recommended to the UAC violator or justification of why disciplinary action is not appropriate.
5. The command shall submit a NAVCOMPT Form 2276 or 2275 in CFMS for the amount needed to cover the UAC. The NAVCOMPT Form 2276 will state in the narrative that funding was/was not available at the time of the UAC and the:
 - (a) Document must indicate this is for an UAC

- (b) Contain UAC Serial Number
 - (c) Funds must be from the FY the offense took place in
 - (d) Nomenclature/description of service
 - (e) Document must indicate how contractor will be paid (GCPC or WAWF)
 - (f) Issued to the correct contracting office DoDAAC. For UAC's processed by FLC, the DoDACC is N00189 FLC Norfolk
6. The violating command shall request a letter from the NSTC Comptroller stating:
 - (a) Appropriated funds was available at the time the UAC was committed
 - (b) Identifying the FY in which the UAC was committed in
 - (c) Appropriated funds are still available
 7. The violating command should work with the vendor in an attempt to prevent late and/or interest fees. The perpetrator is personally liable for late/interest fees even if the alleged unauthorized commitment is successfully ratified.
 8. The Commanding Officer (non-delegatable) shall review the package for completion and;
 - (a) Reject the UAC package, OR
 - (b) Sign UAC cover letter and documentation checklist and submit the ratification package to Head of NROTC Unit Operations within 30 days from the UAC being discovered.
 9. The head of NROTC Student Operations shall review the UAC package for completeness and accuracies and forward the package to the NROTC Program Manager within 35 days of the UAC being discovered.
 10. The NROTC Program Manager shall forward the UAC documentation to the Deputy Commander for NROTC Operations for endorsement within 45 days of the UAC being discovered.
 11. The Deputy Command shall review the UAC package and;
 - (a) Reject the UAC package, OR
 - (b) Endorse the ratification of the UAC and forward it to the NSTC Contract Administrator within 50 days of the UAC being discovered.
 12. The NSTC Contract Administrator shall log the submission in the NSTC tracker log and submit the UAC ratification package to contracting command.
 13. The approving authority is the Head of Contracting Authority unless delegated as authorized by reference (b). The Ratification Contracting Officer may:
 1. Ratify it with the Government accepting financial liability for the UAC.
 - a. IF ratification is approved, the command will be notified of authorization to make payment to the vendor. Contract modifications shall reference the ratification to provide authority for use of prior year funding and the file shall be documented with the ratification documentation. *Note: The UAC violator may still be held liable for late fees.*

2. Ratify it with the Government paying the vendor and issue a letter of indebtedness to the UAC violator.
 3. Disapprove the ratification
 - a. If the ratification is disapproved, then the individual who committed the UAC is personally financially liable to pay the invoice.
 4. Return the UAC ratification package back to the originator for additional information/actions.
14. Processing times from once a UAC Ratification range from 90 to 180 days depending on the nature of the UAC, complexity, dollar amount, completeness and accuracy of the UAC Ratification package. Processing times also take longer when the UAC Ratification Package is submitted toward the end of the fiscal year.
15. The UAC violating command shall submit the UAC Ratification Results form to the Deputy Commander for NROTC Operations, NSTC Comptroller, NSTC Government Commercial Purchase Card Program Manager and NSTC Contract Administrator within 5 days of receiving the results.
16. UACs are considered to be closed when evidence of vendor payment has been received by the ratifying contracting command, or when a determination has been made that the request is unable to be ratified.

Documentation Required for the Ratification of Unauthorized Commitments

1. **Cover letter signed by the Commanding Officer:** This detailed letter attests to the accuracy of the information provided, details any disciplinary actions taken and specific preventive measures that will be implemented to avoid future UACs, and provides a list of attachments.

2. **Supervisor's endorsement letter:** This memo attests to the accuracy of the factual summary statement from the individual(s) responsible for the UAC, the initial recommendation to the commanding officer for ratification, corrective/disciplinary measures and specific preventive measures that will be implemented to avoid future UACs.

3. **Factual summary statement signed by the individual(s) responsible for the UAC:** This detailed document shall fully describe the circumstances that created the UAC. Multiple factual summaries may be submitted where warranted.

4. **Attachments in the form of relevant documents:** These include invoices, spreadsheets or screenshots, method of payment form (WAWF or GCPC) email communications, training certificate, SAMs printout, PSC printout and if applicable, the contract relevant to the UAC.

5. **Comptroller Memorandum:** UAC packages require a memo/letter from the Comptroller stating that Appropriated funds was available at the time the UAC was committed and Appropriated funds are still available. UAC packages cannot be ratified if funding was not and/or currently not available for the fiscal year the UAC occurred in.

6. **An approved funding document (NAVCOMPT Form 2276 or 2275)** for the outstanding amount of the UAC. The NAVCOMPT Form will state in the narrative that funding was/was not available at the time of the UAC and if payment will be made by GCPC or by WAWF.

No funding document is necessary if the outstanding charges have already been paid in error and the UAC is being processed for ratification only. This shall be stated in the documentation provided.

7. **NSTC endorsement letters:** The completed documentation listed above must be submitted through Head of NROTC Student Operations and NROTC Program Manager to the Deputy Commander for NROTC Operations for endorsement of the UAC.

- a. UACs committed by other than NROTC personnel shall be routed and endorsed through the respective chain of command

8. **Contracting commands with ratification authority:**

CNRC – Navy Advertisements and Recruiting materials

NAVFAC – Facilities

DLA – Copiers and Printers

NAWC-TSD – Surface trainers to include COVE and MSS units

FLC – Most other services and supplies and Charter Bus Services

Report of UAC Notification Naval Service Training Command

UAC Serial Number:

UAC Discovery Date:

UAC Activity:

UAC DoDAAC:

Budget Submitting Office (BSO) DoDAAC: 22 BUPERS, N00022

Contractor responsible for performing the UAC:

Contractors CAGE Code:

<https://sam.gov>

Product Service Code (PSC):

https://www.acquisition.gov/sites/default/files/page_file_uploads/PSC%20Manual%20-%20Final%20-%2009%20August%202015_0.pdf

Individual Committing the UAC:

Job Title:

Rank/ Job Series and Grade:

Phone Number:

Email:

Individual's Commanding Officer:

Phone Number:

Email:

NSTC UAC Liaison POC:

Phone Number:

Email:

Value (Amount) of the UAC:

Description of UAC:

Email this form within 7 days of determining that a ratifiable action has been committed:
Deputy Commander and all members of your Chain of Command
NSTC Comptroller robert.t.schultheis@navy.mil
NSTC Budget Officer pam.madden@navy.mil
NSTC Contract Administrator kevin.g.robinson@navy.mil and melanie.armstrong@navy.mil
NSTC Government Commercial Purchase Card Program Manager beth.kleinschmidt@navy.mil

Report of UAC Ratification Results Naval Service Training Command

UAC Serial Number:

UAC Contract Number:

UAC Activity:

UAC DoDAAC:

Budget Submitting Office (BSO) DoDAAC: 22 BUPERS, N00022

Contractor responsible for performing the UAC:

Individual Committing the UAC:

Job Title:

Rank/ Job Series and Grade:

Phone Number:

Email:

Individual's Commanding Officer:

Phone Number:

Email:

NSTC UAC Liaison POC:

Phone Number:

Email:

Approved Value (Amount) of the UAC:

Description of UAC Results:

Email this form within 5 days of receiving ratification results:

Deputy Commander and all members of your Chain of Command

NSTC Comptroller robert.t.schultheis@navy.mil

NSTC Budget Officer pam.madden@navy.mil

NSTC Contract Administrator kevin.g.robinson@navy.mil and melanie.armstrong@navy.mil

NSTC Government Commercial Purchase Card Program Manager beth.kleinschmidt@navy.mil

Funding Document Worksheet Naval Service Training Command

UAC Activity:

UAC DoDAAC:

Command POC:

Phone Number:

Email:

Contracting Command DoDAAC:

Value (Amount) of the UAC:

Ratification of Unauthorized Commitment by

Circumstances of the unauthorized commitment surrounded a (one to two sentence description of the UAC and if proper ordering procedures were followed (see the NAVCOMPT 2276 example):

UAC Serial Number:

UAC Activity Name:

UAC DoDAAC

Budget Submitting Office (BSO) DoDAAC: 22 BUPERS, N00022

UAC Discovery Date:

UAC Method of Payment:

Product Service Code (PSC):

https://www.acquisition.gov/sites/default/files/page_file_uploads/PSC%20Manual%20-%20Final%20-%2009%20August%202015_0.pdf

Email this form to the financial technician that will be responsible for generating the NAVCOMPT 2276 or 2275

1. THIS REQUEST MUST BE ACCEPTED ON A DIRECT CITATION BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE ATTACHED PAGE.

2. DOCUMENT NUMBER
N0021019RCA0000

3. REFERENCE NUMBER EXAMPLE	4. FUNDS EXPIRE ON 09/30/2019	5. DMS RATING	6. PRIORITY	7. DATE REQUIRED	8. AMENDMENT NO. 00
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9. FROM 00210 2601A PAUL JONES STREET BLDG 1 RM 229 GREAT LAKES, IL 60088	10. FOR DETAILS CONTACT: Mr. Kevin Robinson 847-688-4509 x447
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11. TO: [] 00189 NAVSUP FLC NORFOLK CONTRACTING NORFOLK OFFICE 1968 GILBERT ST. SUITE 600 NORFOLK, VA 23511-2392 []	12. MAIL INVOICES TO: 2601A PAUL JONES STREET BLDG 1 RM 229 GREAT LAKES, IL 60088
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13. ACCOUNTING DATA TO BE CITED ON RESULTING BILLINGS

A. ACRN	B. APPROPRIATION	C. SUBHEAD	D. OBJ. CLASS	E. BU CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT
AA	1791804	22M4	252	0210P		056521	2D	CA4098	002109A4101Q	\$500.00

14. AMOUNTS WILL NOT BE EXCEEDED IN THE OBLIGATION DOCUMENT WITHOUT PRIOR WRITTEN APPROVAL FROM THE ISSUER.	L. TOTAL THIS DOCUMENT	\$500.00
	M. CUMULATIVE TOTAL	\$500.00

15. PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED
 THESE ITEMS ARE ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND
 REQUIRED INTERSERVICE SCREENING HAS HAS NOT BEEN ACCOMPLISHED

A. ACRN	B. ITEM	C. FSC	D. DESCRIPTION (NAT. STOCK NO., SPEC. AND/OR DRAWING NO., ETC.)	E. QUANTITY	F. UNIT	G. ESTIMATED UNIT PRICE	H. ESTIMATED AMOUNT
			The office that incurs the obligation as a result of accepting this funding document shall forward the obligating document within 6 calendar days to the office responsible for recording the obligation in compliance with DoD 7000.14-R, Volume 3, Chapter 8, §080302.				

16. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS	I. GRAND TOTAL \$500.00
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17. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's Plant)

18. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR ITEMS REQUESTED.	AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE) Budget Officer Signature	DATE
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19. THIS REQUEST IS ACCEPTED AND THE ITEMS WILL BE PROVIDED IN ACCORDANCE HERewith.	ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE)	DATE
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NAME OF OFFEROR OR CONTRACTOR

ITEM NO.	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
AA 1	<p>Ratification of Unauthorized Commitment by the Command Example Coordinator (CEC). Circumstances of the unauthorized commitment surrounded a Government Commercial Purchase Card (GCPC) payment of tuition for a course attended by the CEC in which proper ordering procedures were not followed.</p> <p>UAC Serial Number: NSTC-N00210-19-UAC-0001 UAC Activity: Naval Service Training Command UAC DoDAAC: N00210 Budget Submitting Officer (BSO): BUPERS - 22 UAC Discovery Date: 08/23/2019</p> <p>Method of Payment: GCPC PSC: U099 - Other Education and Training Services SOCC: 2521 - Other Services</p>			\$0.00	\$500.00

Date:

From: Comptroller, Naval Service Training Command
To: Commanding Officer, Naval Reserve Officer Training
Corps Unit (*insert unit*)

Subj: RATIFICATION OF AN APPARENT UNAUTHORIZED COMMITMENT (UAC)
FOR (*description*) (*UAC Serial Number*)

Ref: (a) FAR 1.602-3
(b) NAVSUPINST 4200.83H
(c) NMCARS 5201.602-3
(d) NMCAG G5201.602-3
(e) NAVSUP Contracting Officer's Handbook
(f) NSTC Guideline

1. An unauthorized commitment by (*insert who committed the UAC, when more than one perpetrator, list in order of seniority*) (*brief description of the UAC*)
2. Per reference (a) through (f), I verified that funding (was or was not) available at the time the unauthorized commitment occurred in (*insert FY*) and that funds (are or are not) currently available.
3. My contact information is (*insert email and phone number*).

N. 8. COMPTROLLER



DEPARTMENT OF THE NAVY

NAME OF ACTIVITY
ADDRESS
CITY STATE ZIP+4

4200
Code/Ser
Date

THIRD ENDORSEMENT on on NROTCU (*Inset Unit*) ltr 7100 Ser (*insert Ser*) of (*date*)

From: Deputy Commander for Naval Reserve Officer Training Corps Operations

To: (*Insert Contracting Command the letter will be forwarded to*)

Subj: RATIFICATION OF AN APPARENT UNAUTHORIZED COMMITMENT (UAC)
FOR (*description*) (*UAC Serial Number*)

Encl: (1) NROTC (*Inset Unit*) Ratification Package

1. Forwarding enclosure (1) documentation, outlining an unauthorized commitment (UAC) regarding (*insert what the UAC regards*) that occurred at Naval Reserve Officers Training Corps Unit, (*insert name*).
2. I concur that the unauthorized commitment (*is or is not*) recommended to be ratified. The reason for this recommendation is (*insert basis of decision*)
3. I have verified the accuracy and completeness of the documentation.
4. POC: (*insert phone number and email address*).

I. M. COMMANDER
By direction

Copy to:
NROTC (*insert unit name*)
NSTC Comptroller's Office
NSTC Contract Administrator

Date:

SECOND ENDORSEMENT on NROTC (*Inset Unit*) ltr 4200 Ser (*insert Ser*) of (*date*)

From: Naval Reserve Officer Training Corps Program Manager

To: Deputy Commander for Naval Reserve Officer Training Corps Operations

Subj: RATIFICATION OF AN APPARENT UNAUTHORIZED COMMITMENT (UAC)
FOR (*description*) (*UAC Serial Number*)

Encl: (1) NROTC (*Inset Unit*) Ratification Package

1. Forwarding enclosure (1) documentation, outlining an unauthorized commitment (UAC) regarding (*insert what the UAC regards*) that occurred at Naval Reserve Officers Training Corps Unit, (*insert name*).
2. I concur that the unauthorized commitment (*is or is not*) recommended to be ratified. The reason for this recommendation is (*insert basis of decision*)
3. I concur with the recommended course of disciplinary action. The reason for this recommendation is (*insert basis of decision*)
4. I have verified the accuracy and completeness of the documentation.
5. I can be reached at (*insert phone number and email address*).

I. M. DEPUTY

Date:

FIRST ENDORSEMENT on NROTC (*Inset Unit*) ltr 4200 Ser (*insert Ser*) of (*date*)

From: Head of Student Operations, Naval Reserve Officer Training
Corps Operations

To: Naval Reserve Officer Training Corps Program Manager

Via: Deputy Director, Naval Reserve Officer Training Corps
Operations

Subj: RATIFICATION OF AN APPARENT UNAUTHORIZED COMMITMENT (UAC)
FOR (*description*) (*UAC Serial Number*)

Encl: (1) NROTC (*Inset Unit*) Ratification Package

1. Forwarding enclosure (1) documentation, outlining an unauthorized commitment (UAC) regarding (*insert what the UAC regards*) that occurred at Naval Reserve Officers Training Corps Unit, (*insert name*).

2. I have reviewed enclosure (1) and verified it for accuracies and that it contains the following required documentation:

- a. Request for Ratification on command letterhead
- b. Supervisor's Verification of Summary of Facts
- c. Employees Factual Summary of Apparent Unauthorized Commitment (UAC)
- d. Comptroller's Verification of Funds
- e. NAVCOMPT Form 2276, Request for Contractual Services
- f. Comptrollers
- g. Navy e-learning Unauthorized Commitment Training Certificate
- h. System of Award Management Printout
- i. Product Service Code Printout
- j. Contractor's Invoices
- k. Any other pertinent information, relevant orders or other documentary information relating to evidence of the transaction.
- l. Wide Area Workflow worksheet or GCPC Purchase Card Holder Form

3. (*Describe if the procedural breakdown was a result of the command or program shortfalls and corrective action steps to ensure it will not occur again*).

4. I concur that the unauthorized commitment (*is or is not*) recommended to be ratified. The reason for this recommendation is (*insert basis of decision*)

5. I can be reached at (*insert phone number and email address*).

H. Operations



DEPARTMENT OF THE NAVY

NAME OF ACTIVITY
ADDRESS
CITY STATE ZIP+4

4200
Code/Ser
Date:

From: *(Insert Commanding Officer)*
To: *(Insert Contracting Command the letter will be forwarded to)*
Via: (1) Head of NROTC Student Operations
(2) Naval Reserve Officer Training Corps Program Manager
(3) Deputy Commander for Naval Reserve Officer Training Corps Operations

Subj: REQUEST FOR RATIFICATION OF AN APPARENT UAC FOR
(Insert description of the UAC) (UAC Serial Number)

Ref: (a) FAR 1.602-3
(b) NAVSUPINST 4200.83H
(c) NMCARS 5201.602-3
(d) NMCAG G5201.602-3
(e) NAVSUP Contracting Officer's Handbook
(f) NSTC Guideline

Encl: (1) Factual Summary of Apparent Unauthorized Commitment (UAC)
(2) Supervisor's Verification of Summary of Facts
(3) Comptroller's Verification of Funds Letter
(4) NAVCOMPT Form 2276, Request for Contractual Services
(5) Comptrollers
(6) Navy e-learning Unauthorized Commitment Training Certificate
(7) System of Award Management Printout
(8) Product Service Code Printout
(9) Contractor's Invoices
(10) Any other pertinent information, relevant orders or other documentary information relating to evidence of the transaction.
(11) Wide Area Workflow worksheet or GCPC Purchase Card Holder Form

1. Per references (a) and (b), enclosures (1) through (5) have been verified for completeness and are forwarded to request ratification. Enclosure (1) explains the circumstances that led to the Unauthorized Commitment. Enclosure (3) authorizes funds for \$ (insert amount). Enclosure (5) constitutes a claim against the Government for *(supplies/services)* due to an unauthorized commitment caused by an individual of this command. These *(supplies/services)* were received, accepted, and utilized for the direct benefit of the command.

2. *(Describe how and when it was identified as an UAC)*

3. (“Procedures did exist for the <person/organization> to follow to avoid a UAC.” Explain the procedures that existed).

<Or, if this is not the case, include a verification statement that: (“Procedures did not exist for the <person/organization> to follow to avoid a UAC” and describe what actions are being instituted by the command to ensure a UAC does not occur again).

4. (Describe why normal procurement procedures were not followed in strict accordance with reference (a)).

5. To prevent further occurrences of unauthorized commitments, the following measures have been taken by this command: (list steps taken to avoid further occurrences (i.e. training on UACs conducted, etc.).

6. This is the perpetrator’s (list number of occurrences) within the last two years.

7. The Commanding Officer considered disciplinary action. (Based on a review of the circumstances described in enclosure (1), disciplinary action is not justified at this time and list the reason as why not. OR The Commanding Officer has taken the following disciplinary actions (lists actions taken.) (See reference (e) Chapter 6 for recommended disciplinary actions)

8. A complete purchase description is provided in enclosure (1) and on the funding document provided in enclosure (3). Funds are currently available and were available at the time the unauthorized commitment was made. Funding document (provide requisition number addressed to the contracting command with award authority) is provided for payment.

9. The Contractor/Service Provider has not been paid.

10. The information contained in this letter and enclosures have been verified as being accurate and complete. I concur that this unauthorized commitment is (or is not) recommended to be ratified.

11. This is (insert number of UAC committed by the individual(s) and the number of UACs committed at this command since assuming command on)

12. (Insert POC email and phone number)

I. R. COMMANDING

Date:

STATEMENT OF FACTS

From: *(Insert Supervisors information)*

To: Commanding Officer, Naval Reserve Officers Training Corps Unit, *(insert unit name)*

Subj: UNAUTHORIZED COMMITMENT FOR PURCHASE OF *(insert description and the name of the company the UAC was committed with)* (UAC Serial Number)

Ref: (a) FAR 1.602-3
(b) NAVSUPINST 4200.83H
(c) NMCARS 5201.602-3
(d) NMCAG G5201.602-3
(e) NAVSUP Contracting Officer's Handbook
(e) NSTC Guideline

Encl: (1) Employee(s) Factual Summary of an Apparent Unauthorized Commitment (UAC) statement

1. Enclosure (1) documentation is forwarded, outlining an unauthorized commitment (UAC) regarding *(insert a description of the UAC)* located at Naval Reserve Officers Training Corps Unit, *(insert NROTC unit's name)*.

2. I concur that the unauthorized *commitment (is or is not recommended)* to be ratified. The reason for this recommendation is *(list the reason(s) why or why not)* *(describe the efforts made to follow proper procedures and why they failed to comply with strict adherence to the Federal Acquisition Regulation)*.

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

4. *(Indicate the recommendation for corrective and/or disciplinary measures)*. This process failure *(list the reasons why the offense occurred and actions being taken to remediate with the violator)*. Additionally *(list steps being established/ instituted to ensure other UACs from being committed)*.

5. I can be reached at *(insert phone number and email address)*.

Signature
Typed Name
Title/Rank

**Employee Factual Summary
Of an Apparent
Unauthorized Commitment (UAC)**

1. **UAC Serial Number:** Assigned by the NSTC Contract Administrator
2. **Date(s) that UAC occurred:** *This is the date that items were accepted, used, or unable to be returned to the vendor without incurring costs.*
3. **Total amount of UAC:** *This is the full amount that needs to be ratified, including payments previously made in error for items later found to have been unauthorized.*
4. **Background:** *Provide a detailed account of the circumstances surrounding the UAC, including dates, and a description of items or service. List the contract number if the UAC was committed against a contract.*
5. **Procedural Breakdown:** *Discuss normal established procedures and why proper acquisition procedures were not followed in this circumstance.*
6. **Bona fide Need:** *State what government requirement or essential need necessitated the UAC, such as emergency situation, essential operations, immediate accreditation or training requirements and cite the specific requirement where applicable (i.e., NAVSUPINST). You must establish that items were required now, not for future use. Emergency is defined as (1) In direct support of a contingency operation. (2) To facilitate the defense against or recovery from a nuclear, biological, chemical, or radiological attack against the United States. (3) When the President issues an emergency declaration or a major disaster declaration. (4) Preservation of life.*
7. **Direct Benefit:** *Discuss the benefit the government received for the unauthorized supplies or services (i.e., patient safety, continuity of care, or program function, etc.). Exact phrase “Supplies or services accepted by the government provided [explain benefit]” or “Gov’t received [explain benefit]”*
8. **Price Determination:** *State the total amount of the UAC and provide detailed information to establish that costs are fair and reasonable (three quotes, catalog prices, internet prices in the form of vendor price lists, historical pricing from previous contracts, or other market research). Support sole source selection by providing any documentation available (such as a Justification and Approval [J&A], Limited Source Justification [LSJ], Business Clearance Memo [BCM]) or other documentation that establishes fair and reasonable pricing. Include pricing information for all items included in the UAC.*
9. **Contractor Selection:** *Provide a rationale for the contractor/vendor selected and identify other sources considered.*

10. **Actions taken:** *Discuss how and when it was identified as an unauthorized commitment, providing specific dates.*
11. **Status of Performance:** *Discuss the status of performance with dates of delivery or completion.*
12. **Resolution:** *Discuss attempts to resolve the UAC prior to requesting ratification (such as returning merchandise).*
13. **Describe existing procedures established to avoid UACs:** (training, process protocols, SOPs, etc.)
14. **The Contractor/Service Provider has not been paid.**
15. **Product/Service Code (PSC) for item:**
16. **Vendor name and CAGE code:**
17. **Recommended Method of Payment:** GCPC or WAWF
18. **Any other pertinent facts:**
19. **Previous UACs:** List all previous UACs in the last two years and paraphrase each occurrence
20. **POC Information:**

Required Supporting Documentation Attachment Checklist

_____ An approved funding document (NAVCOMPT Form 2276) in the amount of \$(insert amount) citing funds for the year in which the UAC occurred, unless it is no longer available, in which case current funds may be used. If the ratified payment will be made via government purchase card (GPC), an approved purchase request that contains cost accounting code information is sufficient. No funding document is required if payment has already been made in error, but please indicate this under paragraph 2 of the Employee Factual Summary of Apparent Unauthorized Commitment statement

_____ Certification that appropriate and adequate funding was available at the time the UAC occurred (by someone with authority to do so, such as the Command Comptroller). This may be provided in the form of a memo, email, or a statement on the funding document.

_____ Vendor invoice(s) certifying that the supplies/services were received and accepted. Remove or black out any PII on invoices.

_____ Copy of related contracts or purchase orders, spreadsheets, WAWF/payment screenshots, email communications, or other information relevant to the charges.

_____ Copy of Navy E-Learning Training Certificate CFHP-NM-UAC-12-1.0 Prevention of Unauthorized Commitments.

_____ Copy of System of Award Management registration print out <https://sam.gov>

_____ Copy of the Product Service Code printout
https://www.acquisition.gov/sites/default/files/page_file_uploads/PSC%20Manual%20-%20Final%20-%209%20August%202015_0.pdf

_____ Wide Area Work Flow (WAWF) Routing Table (if WAWF will be the method of payment)

_____ Government Commercial Purchase Card (GCPC) Cardholder information (if GCPC will be the method of payment)

By signing below, the person who committed the unauthorized commitment certifies that the information provided is accurate, complete and accept full responsibility for the occurrence.

Signature

Print name

Date

**SAMPLE FACTUAL SUMMARY OF AN APPARENT
UNAUTHORIZED COMMITMENT (UAC)**

This sample provides information on the appropriate level of detail to be included in the Factual Summary and needs to include all items listed.

1. UAC Serial Number: NSTC-N3560A-19-0001

2. Date(s) that UAC occurred: 1 October 2014 – 2 November 2014

3. Total amount of UAC: \$22,000.00

4. Background: The command had a contract NXXXXX-12-F-XXXX for medical supplies with Vendor X that had a base year funded for \$250,000 with a period of performance from 1 October 2012 through 30 September 2013, and 4 option years. Option 1 was exercised for the period of 1 October 2013 through 30 September 2014, but due to miscommunication between the Laboratory Dept. and Contracting Dept., no request was submitted to exercise contract option 2, and it expired on 30 September 2014. The Lab. Dept. did not realize that the contract had not been extended and continued to place orders totaling \$20,000 through 2 November 2014. In addition, the contract COR was not adequately tracking orders under the contract, and it was discovered that total orders in FY14 exceeded the contract limit by \$2,000 when the final invoice was received on 26 October 2014. Upon receiving this invoice, the Laboratory Dept. contacted Contracting and learned that the contract option for FY15 had not been renewed. The total amount that exceeded contract scope for this unauthorized commitment is \$22,000.

5. Procedural Breakdown: Normal acquisition procedures require the contract COR to communicate with the Contracting Office to initiate the renewal of contract options. However, a new COR was appointed in July 2014, and was unaware that she needed to request exercise of the option. In addition, procedures for tracking of supplies ordered and received were updated in FY14, and the contract overrun was caused by errors in the spreadsheet data that existed prior to the new COR's process involvement.

6. Bona fide Need: This requirement supports clinical laboratory testing as required by Activity medical providers for the purpose of rendering a diagnosis, initiating therapy, and assessing the effectiveness of treatment. In house testing is necessary to meet patient health and safety requirements in accordance with current medical accreditation standards and internal policies.

7. Direct Benefit: The supplies received were utilized by Activity medical professionals in support of continuity of essential patient care. Without these supplies, laboratory-testing services could not have been provided in September/October 2014, and patient care and safety requirements may have been compromised.

8. Price Determination: Adequate competition was documented at contract award [Or IAW FAR Part 6 (over SAP) or FAR Part 13 (under SAP) for sole source requirements], and relevant market research information is attached (catalog pricing sheets or screenshots documenting market research may be submitted instead of including a pricing table). Three quotes were

received in response to the solicitation, with competitive pricing received for items under the UAC as follows:

SAMPLE FACTUAL SUMMARY

Vendor	Item #1 (X 50)	Item #1 Total Cost	Item #2 X (500)	Item #2 Total Cost	Item #3 (X 210)	Item #3 Total Cost	Total Items under UAC
X	\$80.00	\$4,000	\$15.00	\$7,500	\$50.00	\$10,500	\$22,000
Y	\$82.00	\$4,100	\$18.00	\$9,000	\$46.00	\$9,660	\$22,760
Z	\$79.00	\$3,950	\$15.00	\$7,500	\$55.00	\$11,550	\$23,000

OR historical pricing may be provided that cites previous vendor name, contract number, award date and/or POP, and pricing for the specific items included in the UAC.

If no previous contract/purchase order exists or pricing was inadequately documented, you may provide current pricing from two other vendors.

9. Contractor Selection: Four vendors responded to the competitive solicitation and Vendor X was chosen based on the lowest bid received in support of a firm fixed price contract award.

10. Actions taken: The UAC was discovered on 26 October 2014, when a final vendor invoice was received that exceeded the contract maximum for items on three contract CLINs. When the COR notified the Contracting Dept. on that same date, she also learned that the contract option had not been exercised, resulting in expiration of the contract on 30 September 2014. All ordering under contract NXXXXXX-12-F-XXXX ceased at that time, and an emergency purchase order was prepared to cover essential orders until a new contract could be put in place.

11. Status of Performance: The UAC occurred between 1 October 2014 and 26 November 2014, when the contract expiration and overage was discovered. A purchase order was immediately prepared to cover the purchase of medical supplies over the next six months (1 December 2014 through 31 May 2015). A new multi-year contract was awarded on 19 March 2015.

12. Resolution: Supplies purchased were consumables that were ordered, accepted, have been used, and therefore cannot be returned. The COR has updated and verified the data for orders placed to prevent the problem from reoccurring in the future.

13. Describe existing procedures established to avoid UACs: Activity CORs have received additional training related to proper purchasing procedures and order tracking, and will periodically review contract expiration dates with the Contracting Dept. to ensure that deadlines

are not missed for exercising options. Purchasing SOPs have been instituted for Laboratory Dept. staff reference, and all staff have received UAC avoidance training.

14. The Contractor/Service Provider has not been paid.

15. Product/Service Code (PSC) for item: 6515 (Medical and surgical supplies)

16. Vendor name and CAGE code: Vendor X (1QVX2)

17. Recommended Method of Payment: GCPC or WAWF

18. Any other pertinent facts:

19. Previous UACs: List all previous UACs in the last two years and paraphrase each occurrence

20. POC Information: Iam Perpetrator and can be reached at 846-688-4509 or by email iam.perpetrator@navy.mil

Supporting Documentation Checklist. The following documents related to the UAC are submitted with the request for ratification:

A funding document (NAVCOMPT Form 2276) in the amount of \$ 22,000 with a complete description of the supply or service, appropriate accounting data, and funds certification approval. If the ratified payment will be made via government purchase card (GPC), an approved purchase request that contains cost accounting code information is sufficient.

Certification that appropriate and adequate funding was available at the time the UAC occurred (by someone with authority to do so, such as the Command Comptroller).

Vendor Invoice(s) certifying that the supplies/services were received and accepted.

Copy of related contracts or purchase orders, spreadsheets, WAWF/payment screenshots, email communications, or other information relevant to the charges.

Copy of Navy E-Learning Training Certificate CFHP-NM-UAC-12-1.0 Prevention of Unauthorized Commitments.

Copy of System of Award Management registration printout <https://sam.gov>

Copy of the Product Service Code printout https://www.acquisition.gov/sites/default/files/page_file_uploads/PSC%20Manual%20-%20Final%20-%20209%20August%202015_0.pdf

X Wide Area Work Flow (WAWF) Routing Table (if WAWF will be the method of payment)

 Government Commercial Purchase Card (GCPC) Cardholder information (if GCPC will be the method of payment)

By signing below, the person who committed the unauthorized commitment certifies that the *information provided is accurate, complete and accept full responsibility for the occurrence.*

/ SIGNATURE/

Signature

Print name

Date

WAWF Routing Table

Requisition Number:	Routing Table FILL-IN	<i>Contracting Officer Notes (This Column is not in the Contract)</i>	
WAWF Invoice Type		-- Select 2 – in – 1 for FFP Services Only. -- Select Combo for Supplies, or Supplies AND FFP Services. Cost Type Contracts If none of the above applies, please call 1-800-559-WAWF (9293).	
Contract Number		- (Enter Contract Number)	
Delivery Order Number		- (Enter DO Number)	
Issuing Officer DODAAC		- (Enter DODAAC of the activity issuing the contract)	
Admin Office DODAAC		- (Enter Contract Admin Office DODAAC)	
Inspector DODAAC (usually only used when Inspector & Acceptor are different people)	NA	- (Enter Inspector DODAAC (plus extension if applicable, or leave blank))	
Ship to DODAAC		- (Enter DODAAC (plus extension if applicable))	
Acceptance At Other		- (Enter Other Acceptance Address if different from above (plus extension if applicable))	
Local Processing Office (Certifier)		- (Enter LPO DODAAC (Local Admin) (plus extension if applicable) or leave blank	
DCAA Office DODAAC (Used on Cost Voucher's only)	NA	- (Enter DCAA Office DODAAC when Applicable) - Check on DCAA website: www.DCAA.MIL/	
Paying Office DODAAC		- (Enter Paying Office DODAAC Located on Contract)	
Acceptor/COR Email Address		- (Enter the Acceptor Email address for this Contract if applicable)	
Name	Email	Phone	Role

GCPC Purchase Card Holder Form

Purchase Card Holder Name:

Email Address:

Phone Number:

Command Name:

DoDAAC:

WAWF Payment Information upon Ratification

When the method of payment is by WAWF:

Request the contractor/service provider submit the invoice in WAWF upon contract award.

Inspect and Accept the Invoice. Print a copy out after processing.

Approximately 30 days after accepting, contact your financial technician to verify that the payment has posted in SABRS

Upon completion of final payment AND verification that SABRS properly reflects the transaction, email the Contract Specialist listed in block 9 of the contract with documentation showing that the transaction has been processed and that the contract is ready for close-out.

File a copy of the contract, WAWF invoice (showing acceptance signature), SABRS verification, closeout email and ratification request package.

Files must be kept for 10 years

GCPC Payment Information upon Ratification

When the GCPC is the method of payment, upon contract award:

The AO will initial and date the contract on the page that notes GCPC is the method of payment, to show they have reviewed and acknowledge the mandatory use of the GCPC. The CH will then make payment.

A copy of the contract and NAVCOMP Form 2276 or 2275 shall be included in the GCPC file.

When the transaction appears on the Cardholder's (CH) statement within US Bank the CH will add the funding document number in the comments section and reallocate the LOA, if required ((i.e. fiscal year changes).

Failure to properly reallocate the transaction will require the CH to provide the NSTC N8 Department with all supporting documentation from the transaction so an SF 1081 can be completed and submitted to DFAS to correct to reallocation error.

Upon completion of final payment (AO statement certification) AND verification that CFMS properly reflects the transaction (Memorandum Encumbrance Document), the CH will email the Contract Specialist listed in the contract, block 9 to inform them that the contract is ready to be closed as the transaction has been certified and CFMS was reviewed for proper funding..

File a copy of the contract, receipt, CFMS verification, closeout email and ratification request package.