

**U.S. DEPARTMENT OF AGRICULTURE  
 FARM PRODUCTION AND CONSERVATION MISSION AREA  
 BUSINESS CENTER  
 WASHINGTON, DC 20250**

<b>FPAC NOTICE</b>	NUMBER: FPAC-N 2100-001
SUBJECT: Review of Open Obligation Tool (ROOT) for FY 2019	DATE: March 18, 2019
APPROVING OFFICIAL: Thomas W. Christensen, Deputy Chief Operating Officer	EXPIRATION DATE: November 30, 2019

1. PURPOSE

To provide guidance to facilitate the review of NRCS open obligations for fiscal year (FY) 2019.

2. MESSAGE

a. **Background.** Departmental Regulation 2230-001, “Reviews of Unliquidated Obligations (ULO),” requires regular and continuous review of unliquidated obligations to ensure the agency can properly report obligation balances, certify the validity of current and prior-year obligation balances, make funds available that otherwise would not be used, reduce the risk of misuse and theft of funds, and improve the Treasury Department’s ability to forecast outlay and borrowing needs. In addition, NRCS is required to certify quarterly that reviews and corrective actions related to unliquidated obligations with no activity for at least 12 months were performed. These certifications are due 30 days after the end of the quarter. However, due to the Government Shutdown, the first-quarter review period is modified as indicated in the chart below.

b. **Explanation.** To provide allowance holders 30 days to perform the review and still meet the departmental requirement of certifying ULO balances at the end of each quarter, the chief financial officer (CFO) will conduct a review beginning in the third month of each quarter of the open balances at the end of the second month of each quarter. ULO balances will be selected for review based on compliance with Federal regulations, departmental policies, and NRCS-established program policies and procedures, and based on audit risk.

(1) For planning purposes, allowance holders should anticipate ROOT to be open for review based on the schedule below. It is essential that allowance holders complete their review as scheduled so the agency can submit the quarterly certification timely.

ULO Balances as of Date	Anticipated ROOT Review Dates	Due Date for Departmental Certification
February 28	March 15 – April 15	April 30
May 31	June 15 – July 15	July 31
August 31	September 15- October 15	October 31

- (2) When performing the review of open obligations, the allowance holder must determine whether the obligation is—
- (a) Valid, which means the balance shown is accurate and should remain open.
  - (b) Invalid, which means the obligations should not be in FMFI, but it remains because of a feeder system issue.
  - (c) Recommend deobligation, which means some or all the balance shown should be deobligated because no additional activity is anticipated.
- (3) Process for ROOT Review
- (a) Please complete your review for all required obligations identified in ROOT at <https://audittools.sc.egov.usda.gov/Root/default.aspx>.
  - (b) Detailed procedures to perform ROOT certification are located in ROOT SharePoint. Click on link: *Checklist and Help Documents* inside the ROOT SharePoint.
  - (c) If an obligation is certified as “Valid,” the reviewer is validating the balance is accurate and has supporting documentation as of the ULO balance date and that the balance should remain open because additional activity is anticipated in connection with the obligation.
  - (d) If the obligation is invalid but remains in FMFI due to a feeder system (ProTracts, IAS, etc.) issue, record the applicable ServiceNow ticket or support incident number and date of the request in the “Review Comments” section of the “Open Obligation Determination” screen. If the issue has not yet been reported to the appropriate help desk, please do so in order to include this information before finalizing the “Open Obligation Determination” screen.
  - (e) If the review determines an item should be deobligated, please submit the request, along with supporting documentation, to the appropriate national service delivery branch within 5 days of making that determination. This will ensure that the deobligations occurs timely and ending balances are accurate for open obligations.
  - (f) If the review cannot be completed prior to the due date, the reviewer will check mark “Review Determination #3, Follow up is required.”

(4) Other Important Notes

- (a) Completion of the review process and deobligation actions will be monitored by the CFO, with progress communicated to NRCS leadership.
- (b) After the ROOT review period is closed, the Financial Assurance and Risk Management Branch will select certain obligations as part of the annual A-123 testing. For those samples, the allowance holder must provide the supporting documentation for review, and QA will validate the responses. A report on the findings will be provided to the CFO and other key leadership.

3. CONTACT

Any questions regarding this bulletin should be submitted to the ServiceNow (FPAC Intake Portal) <https://myfpac.usda.gov>.

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