

# Indian Health Service

## Best Practices – Undelivered Orders

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# Best Practices – Undelivered Orders

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- Contract Closeouts
- UDOs
- Un-invoiced receipts



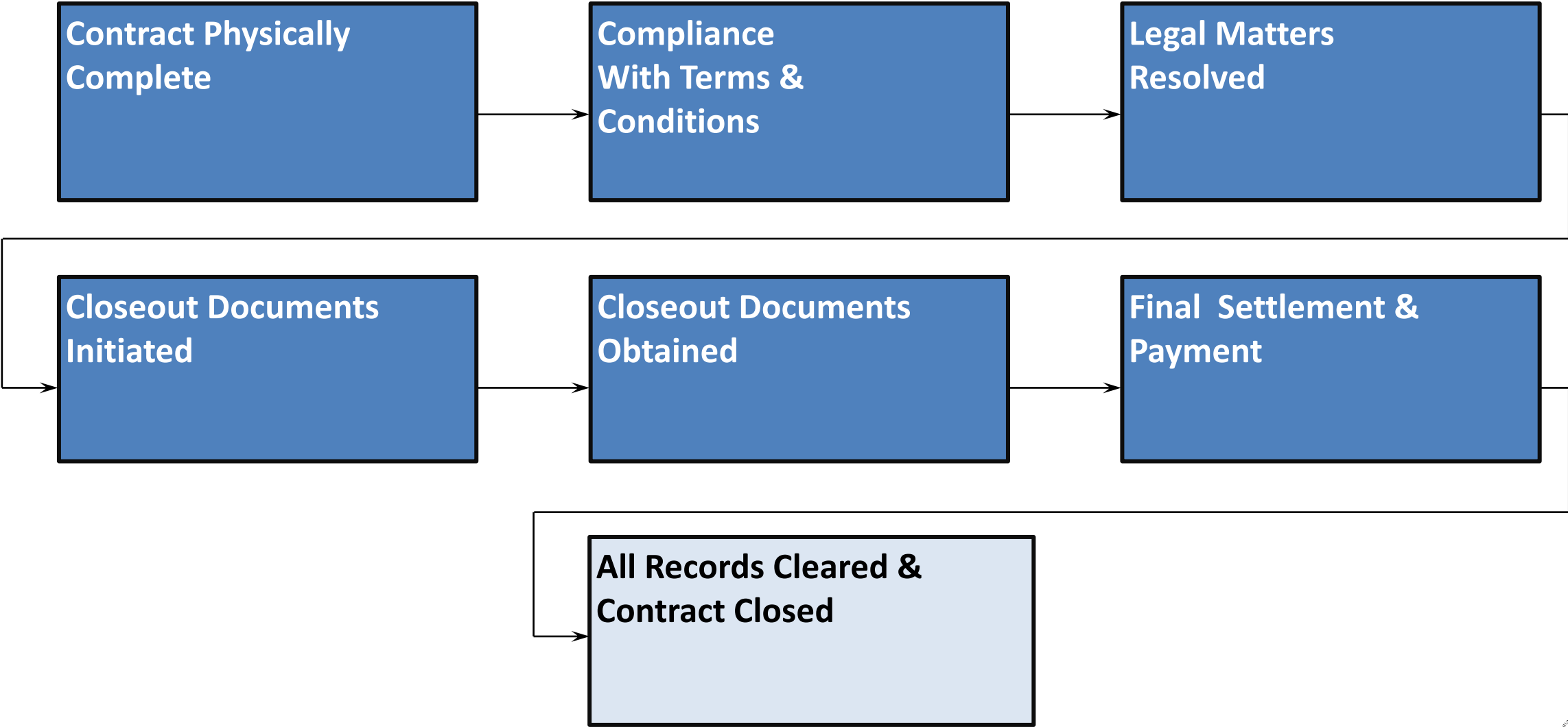
# Contract Closeout

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- Contract closeout is a critical phase of the procurement process. When performed efficiently and effectively, it protects the government's interests and frees up significant amount of dollars for current-year program priorities.
  - **Challenges:**
    - Personnel Issues
    - Monitoring Timelines
  - **Contract Closeout Process:**
    - A contract is completed and ready for closeout when physically complete and final payment has been made
    - Contract files for contracts using simplified acquisition procedures should be considered closed when the Contracting Officer receives evidence of receipt of property and final payment (unless otherwise specified by Agency Regulation).
    - Assign an individual/team at each Area Office to be responsible for reducing/eliminating the backlog of open contracts
- **Note:** Closeout Time Standards Reference FAR 4.804-1(a)



# Contract Closeout Process



# Contract Closeout/UDO

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- After analyzing past performance and processes as well as feedback from users, we are able to provide objective recommendations and relevant trainings in an effort to improve overall efficiency. In addition, specific 'Lessons Learned' have become evident through the current process.

## Recommendations:

- Create a Contract Closeout Team at each Area Office
  - Includes Acquisition and Finance - Receiving Agents, Invoice/Payment Techs
  - Meets on a regular basis to ensure deadlines are met
  - Contract/Award Reconciliation
  - Ensure the proper communication of potential issues that may delay the closure, necessary actions to be taken by a certain group, or comprehension of responsibilities
- Establish a Contract Closeout Function/Office with permanent expert staff and promotion potential
- Assign an individual/team at each Area Office to be responsible for reducing/eliminating the backlog of open contracts
- We have initiated a UDO Cleanup workshop initiative consisting of Procurement users (UFMS Purchasing and PRISM community) wherein we review the UDO's on a weekly basis with each Accounting Center/Contracting Offices. We reviewed the UDO Dashboard and Overall UDOs and advise users to cancel/de-obligate any purchase documents after verifying the physical completions and final payment.



# UDO - Best Practices

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- Start early: Initiate the Closeout actions and complete before end of Q3 (specifically for Canceling Year Funds i.e. FY18 (annual fund) instead of working during Q4)
  - **Impact:** This will avoid the PRISM actions getting picked up by PO Mass Cancel and avoid any potential disconnect between PRISM/UFMS and FPDS
- Contract closeout is a collaborative effort among all officials
  - **Impact:** Follow-up is highly encouraged to ensure that contracts/awards are closed in a timely manner
- Area Contracting Offices should assign De-Ob/Closeout coordinator between Acquisition, Budget, and Finance Staff
- Monitor Open Obligations on a regular basis; initiating a funds status review and identification of excess funds on a timely basis
- To gain a perspective on the difficulty of the contract closeout mission, it is necessary to understand the types of contracts and the timeframes required for closeout
- FAR 4.804 gives standard timeframes from the date of contract physical completion for closing them. As you can see, the longest timeframe is given to cost-type contracts.



# UDO - Best Practices (Cont..)

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- PRISM/Purchasing Document Cleanup Initiative
  - Initiate a Monthly/Biweekly meeting with Procurement communities
  - These sessions will focus on the following:
    - Troubleshooting documents with balances more than 2 years old
    - Review of the PO Dashboard Summary and the tracking of monthly progress
    - Management of Canceling Year Obligations, Unapproved Obligations, and overall UDO reports
    - Ensuring PRISM awards are not picked up by PO Mass Cancel to avoid potential disconnect between UFMS/PRISM and appropriate reporting to FPDS
    - Un-invoiced Receipts Report
- Fixed-Price contracts are simple (Approximately 80% of IHS actions are Fixed Price) – the government knows up-front what it is going to pay
  - The standard is 6 months to complete the closeout



# Un-Invoiced Receipts

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- Un-invoiced Receipt report will identify all PO lines where receipt quantity is more than invoiced quantity
- Many of these POs have been received in FULL while invoiced partly
- The PO lines DO NOT show up on the UDO report (Un-Delivered Obligations) as UDO will consider only obligations which are not completely received/delivered
- These obligations/awards are “Delivered Order” balance for your Area. Funds are tied up in “Delivered But Not Paid”.





# Count of Uninvoiced Receipts by Area

\*Table as of Aug 2<sup>nd</sup> 2023

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Grand Total
40	5	1	6	1	1				1	2	17	25	52	93	96	63	363
41														2	5	3	10
45	7	3	6	8	7	11	5	16	9	13	138	293	279	247	232	38	1,312
46	1							1					11	13	20	16	62
47	10	14	15	10		1				1	101	128	135	90	60	12	577
50	3	3	11	4	8	10	5	10	205	170	195	240	320	388	532	459	2,563
51														20	5		25
53						1		1			1		12	34	34	9	92
54			1	2	1		1			10	41	163	206	198	169	39	831
59																4	4
64								1			2	25	52	57	16	13	166
94					1		1				22	15	12	22	12	8	93
<b>Grand Total</b>	<b>26</b>	<b>21</b>	<b>39</b>	<b>25</b>	<b>18</b>	<b>23</b>	<b>12</b>	<b>29</b>	<b>215</b>	<b>196</b>	<b>517</b>	<b>889</b>	<b>1,079</b>	<b>1,164</b>	<b>1,181</b>	<b>664</b>	<b>6,098</b>



# Amount of Uninvoiced Receipts by Area

\*Table as of Aug 2<sup>nd</sup> 2023

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Grand Total
40	1,857	38	1	0	0				923	590	25,330	76,963	350,165	376,039	730,785	2,351,473	3,914,164
41														1,252	71,888	198,500	271,640
45	8,150	43,806	0	4,368	3,763	5,723	4,450	4,900	898	4,490	202,068	271,497	342,872	340,803	1,182,365	328,427	2,748,579
46	0							0					41,237	86,110	200,839	72,684	400,870
47	10,950	52,144	14,582	12,157		0				6,244	478,398	934,750	1,008,100	493,849	646,861	108,422	3,766,458
50	108	0	1,584	523	9,533	14,166	0	0	263,647	303,538	271,274	499,875	914,403	1,105,751	1,870,493	3,150,310	8,405,207
51														28,516	147,511		176,027
53						0		0			12,241		7,261	297,523	199,644	26,709	543,379
54			695	2,971	475		152			12,977	127,786	412,063	907,030	782,955	317,824	301,244	2,866,174
59																562,146	562,146
64								0			1,882	16,083	149,902	1,591,339	296,678	821,920	2,877,804
94					0		0				81,957	21,229	99,554	893,983	573,736	1,680,724	3,351,184
<b>Grand Total</b>	<b>21,066</b>	<b>95,989</b>	<b>16,863</b>	<b>20,019</b>	<b>13,772</b>	<b>19,889</b>	<b>4,602</b>	<b>4,900</b>	<b>265,468</b>	<b>327,840</b>	<b>1,200,936</b>	<b>2,232,460</b>	<b>3,820,525</b>	<b>5,998,121</b>	<b>6,238,625</b>	<b>9,602,559</b>	<b>29,883,632</b>



# Un-invoiced Receipts – Steps need to correct

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- Identify a subset of awards to work on. Use Older (2020 and older), high dollar value lines first to get most recoveries
- Check with Program Office/COR to make sure no pending invoices
- Follow the steps listed below to release funding:
- If PO line/shipment is not cancelled
  1. Return excess receipt (Match receipts quantity with billed quantity)
  2. Process closeout in PRISM
  3. If Award is already closed out, then no action needed in PRISM. Simply cancel remaining balance in UFMS.
- If PO line/shipment is Cancelled/Final Closed
  1. Data fix to open PO line/Shipment
  2. Return excess receipt (Match receipts quantity with billed quantity)
  3. Process closeout in PRISM
  4. If Award is already closed out, then no action needed in PRISM. Simply cancel remaining balance in UFMS.



# UDO (Un-Delivered Orders)

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- UDO report identifies un-delivered orders
- Widely used by Area Offices to clear stale awards
- Monthly UDO calls with each Area Office to review details and make recommendations
- Contracts Review: Review the Contracts to see if any unliquidated funds remain under the PRISM award and confirm that the contractor has been paid for all work accepted
- Review the report and determine which awards to de-obligate and not to de-obligate. A contract modification will be issued to de-obligate these excess funds and administratively closeout the Award.



# Amount of PRISM UDOs Recoveries by Area

*\*Table as of Aug 2<sup>nd</sup> 2023*

Area	FY2020		FY2021		FY2022		FY2022	
	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change	% Change	\$ Change
PHX	-50.50%	(\$16,363,643)	-74.42%	(\$20,300,871)	-30.19%	(\$5,676,189)	-57.42%	(\$22,707,196)
CAL	-88.88%	(\$254,756)	-93.73%	(\$102,940)	-74.55%	(\$142,693)	-14.11%	(\$13,029)
GPA	-63.86%	(\$7,081,865)	-56.31%	(\$5,457,048)	-49.30%	(\$5,491,560)	-25.14%	(\$2,499,422)
BEM	-100.00%	(\$1,207,776)	-45.35%	(\$278,473)	-66.65%	(\$1,129,960)	-53.76%	(\$1,345,972)
BIL	-72.42%	(\$2,803,912)	-24.28%	(\$1,165,824)	-29.23%	(\$3,592,143)	-2.83%	(\$565,640)
OKC	-47.28%	(\$8,168,467)	-40.47%	(\$5,370,283)	-14.02%	(\$1,678,512)	-19.63%	(\$3,808,062)
NAS	-93.56%	(\$396,171)	-87.02%	(\$355,144)	-86.65%	(\$271,315)	-63.37%	(\$469,479)
ALB	-68.38%	(\$3,738,972)	-73.20%	(\$4,423,804)	-54.86%	(\$2,993,840)	-58.13%	(\$10,341,824)
NAV	-35.21%	(\$7,756,770)	-32.20%	(\$10,285,950)	-19.29%	(\$7,973,147)	-23.83%	(\$15,231,054)
POR	-10.15%	(\$43,235)	-77.22%	(\$1,038,582)	-17.08%	(\$145,164)	-13.12%	(\$333,458)
HQ	-22.22%	(\$915,123)	-9.93%	(\$447,991)	1.26%	\$87,966	-68.15%	(\$21,593,309)
<b>Total</b>	<b>-49.42%</b>	<b>(\$48,730,722)</b>	<b>-49.22%</b>	<b>(\$49,226,913)</b>	<b>-26.14%</b>	<b>(\$29,018,475)</b>	<b>-37.91%</b>	<b>(\$78,908,446)</b>



# Count of UDOs by Area and BFY

*\*Table as of Aug 2<sup>nd</sup> 2023*

	2010	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
40						1	34	296	2,435	6,424	10,231	13,505	32,926
41					1	1		6	24	61	94	131	318
42										3	15	19	37
45					1	21	102	509	817	937	3,418	13,184	18,989
46						2	10	1,323	2,969	5,349	6,380	9,002	25,035
47							67	292	430	765	14,705	16,846	33,105
50				24	66	225	212	313	609	1,919	12,764	22,933	39,065
51								7	15	96	1,342	1,746	3,206
53					1		4,287	6,466	6,393	12,173	13,683	15,641	58,644
54							27	415	1,362	1,963	8,663	22,693	35,123
59	1			1	4	13	2	15	19	93	112	129	389
64		1	4	2	176	271	814	1,711	2,790	3,351	3,292	3,870	16,282
94						17	29	556	801	647	909	2,194	5,153
<b>Grand Total</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>27</b>	<b>249</b>	<b>551</b>	<b>5,584</b>	<b>11,909</b>	<b>18,664</b>	<b>33,781</b>	<b>75,608</b>	<b>121,893</b>	<b>268,272</b>



# Amount of UDOs by Area and BFY

*\*Table as of Aug 2<sup>nd</sup> 2023*

	2010	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
40						0	35,004	782,849	4,760,989	19,905,481	58,771,422	134,671,237	218,926,981
41					368,485	216,263		545,939	1,494,652	6,241,799	33,071,082	6,172,339	48,110,559
42										1,181,174	9,577,618	2,053,746	12,812,539
45					0	130,992	677,945	5,296,995	4,038,529	9,169,203	19,351,260	75,750,424	114,415,349
46						235,761	615,701	3,216,485	32,806,863	29,333,524	17,963,670	40,983,052	125,155,055
47							232,992	2,655,746	7,077,861	14,269,430	26,481,431	66,832,929	117,550,390
50				34,761	156,859	778,043	580,308	1,489,391	4,088,589	11,553,632	24,887,297	96,661,039	140,229,918
51								1,261,578	2,467,889	5,149,391	32,110,177	21,284,416	62,273,449
53					172		2,708,500	3,457,842	3,958,225	20,616,973	24,223,655	60,786,014	115,751,381
54							5,899,520	5,167,692	15,592,526	29,341,934	55,014,274	85,916,667	196,932,613
59	64,622			20,181	186,681	1,394,799	774,192	5,642,389	1,869,833	38,990,536	58,687,588	7,130,123	114,760,944
64		219,000	258,030	171,250	118,701	599,472	746,198	5,757,581	6,880,495	13,820,145	43,609,109	46,549,702	118,729,682
94						286,142	996,387	2,324,870	7,078,594	12,052,134	22,692,037	68,846,583	114,276,746
<b>Grand Total</b>	<b>64,622</b>	<b>219,000</b>	<b>258,030</b>	<b>226,192</b>	<b>830,897</b>	<b>3,641,471</b>	<b>13,266,746</b>	<b>37,599,355</b>	<b>92,115,045</b>	<b>211,625,356</b>	<b>426,440,621</b>	<b>713,638,271</b>	<b>1,499,925,606</b>



# Count of UDOs by Source and BFY

*\*Table as of Aug 2<sup>nd</sup> 2023*

	2010	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
CONCUR							17	800	1,390	1,164	1,049	2,606	7,026
DIRECT OBLIGATION		1	4	2	2	6	17	41	133	152	236	333	927
HHS_TRAVEL									5				5
IHS								1	23	7	9	12	52
IHS CONSTRUCTION									3	6	1	13	23
IHS LRP										190	301	699	1,190
IHS TITLE I						9	1	31	59	150	211	138	599
IHS TITLE V	1			1	4	5	2	55	55	154	166	170	613
IHS_CHS_MIS					175	268	5,097	9,541	13,827	27,149	66,528	107,626	230,211
IHSSCHOLARSHIP											291	692	983
IPAC										2	15	114	131
LMS TRAINING											6	2	8
MAN										2			2
MANUAL						9	28	193	378	695	1,383	2,409	5,095
NON-PRISM									3	4	1		8
PCS								12	47	82	96	140	377
PRISM				24	68	254	422	1,235	2,741	4,024	5,315	6,939	21,022
<b>Grand Total</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>27</b>	<b>249</b>	<b>551</b>	<b>5,584</b>	<b>11,909</b>	<b>18,664</b>	<b>33,781</b>	<b>75,608</b>	<b>121,893</b>	<b>268,272</b>



# Amount of UDOs by Source and BFY

**\*Table as of Aug 2<sup>nd</sup> 2023**

	2010	2011	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Grand Total
CONCUR							3,148	259,493	413,988	366,791	266,672	706,857	2,016,949
DIRECT OBLIGATION		219,000	258,030	171,250	395,111	727,612	6,281,987	3,880,282	14,852,220	32,203,157	76,758,766	49,880,983	185,628,396
HHS_TRAVEL									28,743				28,743
IHS								16,838	579,843	413,678	280,121	2,408,902	3,699,382
IHS CONSTRUCTION									870,000	1,650,000	300,000	3,603,870	6,423,870
IHS LRP										2,439,769	4,898,996	13,564,277	20,903,043
IHS TITLE I						57,246	98,382	3,541,726	3,194,833	12,867,356	44,727,910	7,942,060	72,429,514
IHS TITLE V	64,622			20,181	186,681	792,358	774,192	11,072,727	4,399,939	22,083,852	78,649,848	10,830,421	128,874,820
IHS_CHS_MIS					93,092	323,884	3,104,928	5,037,659	7,648,453	15,287,981	38,563,255	69,116,135	139,175,388
IHSSCHOLARSHIP											5,255,593	7,967,849	13,223,441
IPAC										122,459	438,418	3,696,791	4,257,668
LMS TRAINING											22,275	3,360	25,635
MAN										5,730			5,730
MANUAL						613,776	135,437	518,556	29,195,497	41,337,953	23,440,732	96,856,116	192,098,068
NON-PRISM									35,331	494,942	422,068		952,340
PCS								23,832	125,013	264,843	810,655	303,350	1,527,694
PRISM				34,761	156,014	1,126,595	2,868,671	13,248,242	30,771,185	82,086,845	151,605,313	446,757,298	728,654,924
<b>Grand Total</b>	<b>64,622</b>	<b>219,000</b>	<b>258,030</b>	<b>226,192</b>	<b>830,897</b>	<b>3,641,471</b>	<b>13,266,746</b>	<b>37,599,355</b>	<b>92,115,045</b>	<b>211,625,356</b>	<b>426,440,621</b>	<b>713,638,271</b>	<b>1,499,925,606</b>



# UDO - Tools

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- PO - IHS - Dashboard
- PO - IHS - Obligations Liquidation Status report
- Un-invoiced Receipts report
- PO - IHS - Dashboard → Cancelling Year Obligations
- PO - IHS - Dashboard → Obligations with No Activity



# Contact Information

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# Questions?

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- For any further questions, Email E-Invoicing/IPP team at [IHSHQE-Invoicing@ihs.gov](mailto:IHSHQE-Invoicing@ihs.gov)



