



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
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IN REPLY
REFER TO

DLMSO

MAR 1 8 2006

MEMORANDUM FOR SUPPLY AND FINANCE PROCESS REVIEW COMMITTEE (PRC)
MEMBERS

SUBJECT: Approved DLMS Change (ADC) 110C, Additional AF Requisitions and Interfund Bill Restrictions (Supply/Finance)

The attached change to DOD 4000.25-M, Defense Logistics Management System (DLMS), Military Standard Billing System (MILSBILLS), and DOD 4000.25-1-M, Military Standard Requisitioning and Issue Procedures (MILSTRIP) is approved for DAAS implementation no later than 30 days from the above date. Components may phase in additional edits during modernization or when feasible.

Addressees may direct questions to the DLMSO points of contact, Ms. Ellen Hilert, Chair, Supply Process Review Committee, 703-767-0676, DSN 427-0676, or e-mail: ellen.hilert@dla.mil, or Ms. Aundra Rhone-Jones, DOD MILSTRIP System Administrator, 703-767-3620, or e-mail: aundra.rhone-jones@dla.mil;

Others must contact their Component designated representative.

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment

cc:
ADUSD(L)SCI

DLMS Change (ADC) 110-C
Additional AF Requisitions and Interfund Bill Restrictions

1. ORIGINATOR:

- a. Service/Agency: DFAS Denver
- b. Sponsored by DOD Supply and Finance PRCs

2. FUNCTIONAL AREA: Finance and Supply

3. REFERENCE:

- a. DoD 4000.25-7-M, Military Standard Billing System (MILSBILLS)
- b. DoD 4000.25-1-M., Military Standard Requisitioning and Issue Procedures (MILSTRIP)
- c. DoD 4000.25-M, Defense Logistics Management System (DLMS)
- d. DLMSO Memorandum dated October 14, 2005, subject: Approved DLMS Change (ADC) 110B, Additional AF Requisitions and Interfund Bill Restrictions
- e. DLMSO Memorandum dated March 14, 2005, subject: Approved DLMS Change (ADC) 110A, DAASC Processing of AF Requisitions and Requisitions with Billing Restrictions – Revised
- f. DLMSO Memorandum dated March 11, 2004, subject: Approved DLMS Change (ADC) 110, DAASC Processing of AF Requisitions and Requisitions with Billing Restrictions

4. REQUESTED CHANGE:

a. Description of Change: This change expands the USAF requested edits approved under ADC 110, ADC 110-A and ADC 110-B. This change further revises requisition; turn in of material and hazardous waste to Defense Redistribution and Marketing Service (DRMS), and interfund bill processing to reject transactions which identify a requisitioner or bill-to party reflecting an Air Force DOD Activity Address Code (DODAAC) not authorized for use as the bill-to party. This change also documents correction of a typographic error published in MILSTRIP change 1 (see attachment).

b. Background: The Air Force has a unique organization which wasn't capitalized by the Defense Finance & Accounting Service. This operation purchases items using DODAAC FG4302, HQ AFMC DRJI . The organization is unable to process electronic interfund billings and therefore all billings to this activity must be via Fund Code XP (non-interfund billing required). This change is to automatically code all requisitions that flow through DAASC as Fund Code XP, thus allowing the seller to avoid billing reversals by automatically issuing manual billings (via SF 1080 or other form).

c. Procedures

(1) DAAS will change the fund code of any MILS/DLMS requisition reflecting a requisitioner or bill-to party identified by DODAAC FG4302 to “XP”. In addition, DAAS will ensure that DODAAC FG4302 is not identified in the fund code table as the bill-to activity. DAAS will use Supply Status BK, Modified, to notify the requisitioner when a requisition has been modified to adjust the fund code.

(2) Source of Supply (SoS) edits will be modified over time and during modernization to incorporate the above edit so as to change transactions which bypass DAAS.

(3) DAAS will reject any MILS/DLMS interfund bill reflecting a bill-to party of DODAAC FG4302. Billings rejected by DAAS must be corrected to reflect Fund Code XP and resubmitted to the bill-to agency manually in order to obtain reimbursement. Corrective action is to code all billings to DODAAC FG4302 as Fund Code XP.

(4) Revise MILSTRIP Chapter 2 (as updated by Formal Change 1) as indicated in ***bold italics*** per Enclosure 1.

(5) Revise MILSBILLS Chapter 6 as indicated in ***bold italics***:

C6.3.2. Bill Editing

C6.3.2.1. DAAS shall edit and reject any bill which fails any of the following edits:

C6.3.2.1.1. The record count (positions 5-7) of the summary billing record equals the actual count of the supporting detail billing records.

C6.3.2.1.2. The bill-to DODAAC (reference (i)) (positions 30-35) of the summary billing record is a valid DODAAC.

C6.3.2.1.2.1 The bill-to DODAAC of the summary billing record is authorized for use as a bill-to party. An unauthorized USAF bill-to activity may be identified by the following structure: the first position is an “F”, followed by one numeric character in position two, and an alpha character in position three ***or it contains DODAAC FG4302.***

(6) The DLMS manual will be updated with comparable changes.

5. ADVANTAGES AND DISADVANTAGES:

a. Advantages: This change will reduce followup on DFAS’ part and will eliminate duplication of effort.

b. Disadvantages: The SoS (seller) will have to validate the fund code for the DODAACs at time of requisition/order to ensure the use of a billable DODAAC.

6. ALTERNATIVES: Under the DODAAD re-engineering implementation, it will be possible to improve these procedures by incorporating an edit based upon the new DODAAC Authority Codes. Use of the Authority Code will require additional steps to apply the code to existing and all newly assigned DODAACs meeting the structure identified in this change. DLMSO will pursue this approach for a future date.

7. IMPACT:

a. Impacted areas include DAAS, DLMS/MILS procedures, and Component edits and procedures for requisition processing, turn in of material or hazardous waste, and billing functions.

b. Recommended Effective Date: Request this change be implemented at DAAS as soon as possible.

MILSTRIP Revision

DoD 4000.25-1-M, January, 2006
Change 1

C2.28.8. The DAAS will perform validation of requisitions for authorized ordering or billing DoDAACs. The DAAS will furnish DI AE9 transactions with Status Code CX to advise all concerned of the rejection. Requisitions will be rejected if the requisitioning DoDAAC:

C2.28.8.1. First position is F followed by all numerics, FA or FY.

C2.28.8.2. May not be used for billing.

C2.28.8.3. Bill-to activity identifies a USAF DoDAAC that is not authorized for use.

C2.28.9. The DAAS will identify non-appropriated instrumentalities and prime vendor contractors using non-contractor DoDAACs for billing and provide for billing under non-interfund procedures by changing the fund code for these requisitions to XP. The DAAS will furnish DI AE9/BK status to the customer.

C2.28.9.1. A DoD Prime Vendor contractor is identified as a DoDAAC beginning with SD ~~or FT~~.¹

C2.28.9.2. A non-appropriated funded activity is identified as a DoDAAC beginning with FT or FF.

C2.28.9.3 The bill-to activity is identified by DoDAAC FG4302.

C2.28.10. The DAAS will perform validation of requisitions for authorized DODAACS. Reject requisitions when the requisitioning or bill-to-activity identifies a USAF DODAAC that is not authorized for this use. These DODAACS are identified by their structure: the first position is an "F", followed by one numeric character in position two, and an alpha character in position three. The DAAS will furnish DI AE9 transactions with Status Code CX to advise all concerned of the rejection of the requisition.

Enclosure

¹ Typographic error. FT not applicable here.