



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO

J627

February 23, 2012

MEMORANDUM FOR FINANCE PROCESS REVIEW COMMITTEE (FPRC) MEMBERS

SUBJECT: Approved Defense Logistics Management System (DLMS) Change (ADC) 469,
Consolidating MILSBILLS into DLMS Volume 5, Finance
(Finance/MILSBILLS) (Staffed as PDCs 488, 490, 491, and 493)

The attached changes to DoD 4000.25-M, Defense Logistics Management System (DLMS), Volume 5 are approved for implementation.

Addressees may direct questions to Mr. Robert Hammond, FPRC Chair, email: financehq@dla.mil. Others must contact their Component designated FPRC representative.

DONALD C. PIPP
Director
Defense Logistics Management Standards

Attachment
As stated

cc:
ODASD(SCI)

ADC 469
Consolidating MILSBILLS into DLMS Volume 5, Finance

1. ORIGINATOR: DLA Logistics Management Standards

2. FUNCTIONAL AREA: Primary: Finance

3. REFERENCES:

- a. DoD 7000.14-R, DoD Financial Regulation
- b. DoD 4000.25-7-M, Military Standard Billing System (MILSBILLS)
- c. DoD 4000.25-M, Volume 5 – Finance
- d. DODI 4140.01, DOD Supply Chain Materiel Management Policy
- e. 4000.25-10-M, Defense Automatic Addressing System (DAAS)

4. REQUESTED CHANGE:

a. Description of Change: This change consolidates chapters of MILSBILLS (reference b) with DLMS Volume 5 (reference c) to enable DLMS Volume 5 to be the single manual for logistics billing. A summary of comments resolution is provided in enclosure (4).

b. Background:

(1) The associated Proposed DLMS Changes were reviewed during the November 2011 meeting of the Finance Process Review Committee (PRC) consolidating the MILSBILLS (reference b) and DLMS Volume 5 (reference c) manuals. A single manual is easier to maintain and provides a common source for implementers.

(2) DODI 4140.01 (reference d) designates the MILS/DLMS manuals as Defense Logistics Manuals (DLMS). The DLA Logistics Management Standards office is required to publish the updated DLMS manuals within six months of the instruction being signed out. The changes in this ADC will be incorporated into the superseding DLM 4000.25, Volume 4.

b. Detailed Procedures: Revise DoD 4000.25-M, Volume 5. Each of the proposed DLMS Volume 5 chapters and appendices is provided in enclosure (1) of this ADC. A brief summary of changes is provided.

(1) Chapter 1 – Enclosure (1) includes modifications to now cover DLMS and legacy DLSS transactions; incorporates MILSBILLS sections for referencing Service specific billing procedures; incorporates DLMS and MILSBILLS procedures for simulated exercises.

(2) Chapter 2 – The existing DLMS version of Chapter 2 is organized differently than MILSBILLS and does not always align on procedures. Enclosure (2) provides a side-by-side

comparison of MILSBILLS sections to the DLMS equivalent language and is color coded to show the basis for accepted language contained in enclosure (1).

(3) Chapter 3 – The existing DLMS Volume 5 chapter and the MILSBILLS version are very similar, but use different wording in places to describe the same policy. This change generally defers to MILSBILLS language as being more current and detailed. The significant change is the addition of subsection C3.3.2 from MILSBILLS.

(4) Chapter 4 – The existing DLMS version of Chapter 4 is organized differently than MILSBILLS and does not always align on procedures. Enclosure (3) provides a side-by-side comparison of DLMS sections to the MILSBILLS equivalent language and is color coded to show the basis for accepted language contained in enclosure (1).

(5) Chapter 5 – The existing DLMS Volume 5 chapter and MILSBILLS chapter 5 are very similar. This change adds in references to the Appendix 2 from MILSBILLS, corrects the Central Accounts Office for the Air Force, and updates the DoD Director of Budget and Finance address.

(6) Chapter 6 – Section 2 of this chapter was deleted as duplicative of information covered in the Defense Automatic Addressing System (DAAS) manual, 4000.25-10-M (reference e). The information regarding MILSINQ and some URLs were updated.

(7) Chapter 7 – This chapter only exists in DLMS and was added by ADC 328. This change inserts URLs to the “Funds Availability Request and Reply formats and incorporates editorial edits to clarify procedures.

(8) Appendix 1 – Existing DLMS Volume 5 Appendix 1 is deleted. The FPRC membership link is now incorporated into DLMS Volume 5 Chapter 1. The revised Appendix 1 is incorporated from MILBILLS Appendix 1. The URLs linking to the latest fund code files on the DLA Logistics Management Standards website will be maintained.

(9) Appendix 2 – Appendix 2 incorporates MILBILLS Appendix 2.

(10) Appendix 3– Appendix 3 incorporates MILBILLS Appendix 3. However, rather than publishing the formats, the appendix page provides a URL linking to each format.

5. ALTERNATIVES: Continue maintaining separate manuals. This alternative results in inconsistent policy and is resource intensive. It is rejected.

6. REASON FOR CHANGE:

a. Provides a single manual for logistics finance policy to achieve consistency and administrative efficiency.

7. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Provides processors of logistics bills a single source for the procedures. Eliminates risks of confusion from any differences in the language between the manuals.

b. Disadvantages: None

8. NOTE ANY REGULATIONS OR GUIDANCE:

- a.** DoDI 41040.01, DoD Supply Chain Materiel Management Policy
- b.** DoD 4140.1-R, DoD Supply Chain Materiel Management Regulations
- c.** DoD 7000.14-R, DoD Financial Regulation

9. IMPACT:

- a. Policy Impact:** None. Incorporated changes from PDCs for consistency.
- b. Publications:** DLMS Volume 5 is modified to incorporate the changes of the enclosure (1).
- c. Data:** None

C1. CHAPTER 1

INTRODUCTION

C1.1. GENERAL

C1.1.1. **Purpose.** This volume provides Defense Logistics Management System (DLMS) standard procedures for billing and related adjustments for sales of materiel and related services, collectively referred to as the Military Standard Billing System (MILSBILLS). This includes the related standard transactions for exchanging data in compliance with the procedures using either the DLMS Supplements (DS) variable length format or the legacy Defense Logistics Standards Systems (DLSS) fixed length 80 record position format.

C1.1.1.1. New and migrating systems implementations of the DLMS are to comply with the DLMS Supplements to Federal Implementation Conventions (ICs) for American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 in accordance with [DoD Directive 8190.1](#), "DoD Logistics Use of Electronic Data Interchange (EDI) Standards," May 5, 2000. The relevant DLMS Supplements are the DLMS 810L (Logistics Bill), DLMS 812R (Logistics Bill Adjustment Request), and DLMS 812L (Logistics Bill Adjustment Request Response). All DLMS Supplements to Federal ICs may be accessed at www.dla.mil/j-6/dlms/eLibrary/TransFormats/140_997.asp.

C1.1.1.2. DLSS is the legacy implementation for billing, previously published as part of MILSBILLS. See Appendix 3 for the list of billing related document identifier code (DIC) formats.

C1.2.1. **Use of This Volume.** Use of this volume requires simultaneous access to DLMS Manual Volume 1 administrative items such as lists of acronyms and abbreviations, terms and definitions, and references; instructions for acquiring access to the DLMS standards data base; DLMS-to-Defense Logistics Standard System (DLSS) cross-references and conversion guides; specific guidance that applies to all implementation conventions; and functional and technical information that is relatively stable and applies to the DLMS as a whole.

C1.2. POLICY

C1.2.1. [DoD 7000.14-R](#), "Department of Defense Financial Management Regulations," provides the DoD policies governing procedures in this volume.

C1.2.2. [DoD 4140.01-R](#), "DoD Supply Chain Materiel Management Regulation," May 23, 2003 provides the DoD policies and governing procedures in this volume.

C1.3. APPLICABILITY. This volume applies to the Office of the Secretary of Defense, Military Departments, Joint Staff, Unified and Specified Commands, Defense Agencies, and Defense Organizations (hereafter referred to collectively as "DoD Components") and, by agreement, to other organizations participating in the DLMS.

C1.4. FINANCE PROCESS REVIEW COMMITTEE. The Finance Process Review Committee (PRC) is the forum through which the DoD Components and other participating organizations may participate in the development, expansion, improvement, maintenance, and administration of the Interfund Billing System and other financial requirements for the DLMS. The Chairman, Finance PRC, in coordination with other Finance PRC members, is responsible for the contents of this volume of the DLMS. The identification of Finance PRC representatives, and other PRC related information, appears on the Finance PRC Webpage at www.dla.mil/j-6/dlms/Programs/Committees/Finance/financeprc.asp. Refer to Volume 1, Chapter 1 for a discussion of general DLMS PRC functions and responsibilities.

C1.5. SUPPLEMENTAL PROCEDURES. Supplemental procedures issued by the DoD Components and participating Agencies are authorized when additional detailed instructions are required. The publications listed in Table C1.T.1 supplement the provisions of this volume within the DoD Components and participating Agencies:

Table C1.T1. Supplemental Billing Procedures

<u>SERVICE or AGENCY</u>	<u>SUPPLEMENTAL INSTRUCTIONS</u>
United States Army (USA) and United States Air Force (USAF)	Defense Finance and Accounting Service (DFAS)-Indianapolis Center (DFAS-IN) Regulation 37-1, Finance and Accounting Policy Implementation
United States Navy (USN) or United States Marine Corps (USMC)	NAVSO P-1000, Department of the Navy Financial Management Policy Manual
General Services Administration (GSA)	FPMR 101, Subchapter E, Subpart 101-26-8, Discrepancies or Deficiencies in GSA or DoD Shipments, Material or Billings FEDSTRIP Operating Guide

C1.6. NONCOMPLIANCE. If reasonable attempts to obtain compliance with prescribed procedures or resolution of DLMS Finance related problems are unsatisfactory, the activity having the problem shall request assistance from its DLMS Finance PRC representative. The request shall include information and copies of all correspondence pertinent to the problem; including the document number, the number and date of the DLMS bill, and billing office. The representative shall take the necessary actions to

resolve the issue or problem. The actions may include requesting assistance from the Chairman.

C1.7. SIMULATED MOBILIZATION EXERCISE

C1.7.1 When establishing plans that require simulated mobilization exercises, identify the associated transactions as simulated mobilization exercise transactions as provided for in the applicable implementation convention. The common mechanism in the DLMS Supplement is to set the Purpose Code of the beginning segment to 77–Simulation Exercise. Do not process simulated mobilization transactions in the supply distribution system(s) as action documents that affect accountable/unit records. The DoD Component activities responsible for initiating these exercises must use extreme caution to ensure procedures are explicit and to coordinate with all participants.

C1.7.2. DLSS has reserved certain DIC series for use in mobilization or other exercises. Within the legacy DLSS, DIC H series transactions are reserved for use during simulated mobilization exercises in lieu of the normal F or G series DICs. Although not mandatory, exercise planners are encouraged to use the H series DIC.

C2. CHAPTER 2

BILLING PROCEDURES

C2.1. CRITERIA FOR BILLING

C2.1.1. Shipments From Stock. Billing shall be effected on the basis of drop from inventory or performance of services. Exceptions are as follows:

C2.1.1.1. Security Assistance. Billings for security assistance shall be effected upon constructive delivery.

C2.1.1.2. Petroleum, Oil, and Lubricants (POL). Billings for bulk POL shipments may be billed after notification of receipt or 15 calendar days after the date of shipment or issue, whichever occurs first.

C2.1.1.3. Perishable Subsistence Chill and Freeze Items. Billings for perishable subsistence chill and freeze items shall be effected upon drop from inventory. Billings for fresh fruits and vegetables shall be effected upon receipt of an issue transaction from DLA Troop Support.

C2.1.1.4. Drawdowns

C2.1.1.4.1. Materiel requisitioned under authority of Section 506 of the Foreign Assistance Act, as amended (i.e. , when the Foreign Military Sales (FMS)/Grant Aid (GA) type of assistance code is C), may not be billed until funds are appropriated, with the exception of Working Capital Fund activities. Although Section 506 does not provide obligation or disbursing authority, it does permit the drawdown of existing DoD stocks subject to an appropriation to be made at a later date. Since there is no assurance that DoD accounts will be reimbursed, the transfers cannot be recorded as accounts receivable. Therefore, issues under Section 506 will be treated as transfers without reimbursement. The transfer without reimbursement will be reversed when appropriations are received to reimburse the DoD account for the transfer. Section 506 draw downs of General Services Administration (GSA) or other non-DoD stocks are not authorized.¹

C2.1.1.4.2. All requests for Defense Working Capital Fund (DWCF) activities (to include transportation) shall include a funding source, allowing DWCF

¹Section 552 of the Foreign Assistance Act of 1961 allows the President to "direct the drawdown of commodities and services from the inventory and resources of any agency of the United States Government". Under DLMS, except for the use of DoD (Section 506) or any agency (Section 552) assets, drawdowns under both sections are identified and treated similarly.

activities to be reimbursed by the Military Departments without delay. Orders will not be accepted without a funding source. Refer to [DoD 7000.14-R](#), "Department of Defense Financial Management Regulations (FMRS)", Vol. 12, paragraph 230502 and Vol. 11B, paragraph 110106.A.).

C2.1.2. Direct Deliveries of Materiel From Contractors. When an inventory item is out of stock, is not carried, or has otherwise been requested via direct delivery of materiel from a vendor, the billing shall be effected upon notification of receipt of materiel by the customer or notification of shipment by the vendor.

C2.1.3. In-Storage Visibility Lateral Redistributions. When an Integrated Materiel Manager/Inventory Control Point (IMM/ICP) laterally redistributes materiel, reimbursement to the reporting activity and billing to the requisitioning activity shall be effected upon notification of receipt by the requisitioning activity.

C2.1.4. In-Storage Visibility Procurement Offset. When materiel is returned to the IMM/ICP to offset or preclude procurement, reimbursement to the returning activity is authorized upon receipt, inspection, and acceptance of materiel as evidenced by the IMM/ICP's generation of a creditable Materiel Receipt Status.

C2.1.5. Customer Asset Report Credits. Materiel Return Program (MRP) credits are authorized upon receiving notification that materiel authorized for return under creditable procedures has been received in the offered condition and quantity.

C2.1.6. Materiel Services. Billings for services related to materiel shipments and returns not included in the materiel price are authorized after the services are rendered.

C2.2. PREPARATION OF BILLS

C2.2.1. General. Bills shall be prepared within 30 calendar days of the criteria provided in section C2.2 and must identify each shipment, delivery, service performed, or refund earned.

C2.2.2. Materiel Billing And Credit Amounts. In general, billings for materiel shall be at the standard price in effect at the time of shipment, and credit adjustments (refunds) shall be at the price originally billed. Exceptions are identified in the following subparagraphs. Billings and credits for services or allowances related to materiel shipments shall be processed as prescribed by section C2.5.

C2.2.2.1. Lateral Redistribution Credits. Reimbursements for materiel laterally redistributed shall be processed at the standard price in effect at the time of shipment. Credits may be fully or partially reversed by the IMM/ICP when a validated discrepancy report documents the materiel was not shipped in a condition or quantity warranting full credit.

C2.2.2.2. In-Storage Visibility Procurement Offset and MRP Credits. Credits shall be processed at the acquisition cost in effect at the time of receipt. Credits may be lower if, in the opinion of the IMM/ICP, the received materiel is not in a condition and/or quantity to warrant full credit.

C2.2.2.3. Quality Deficiency Reports. When the original requisition number cannot be identified, the credits shall be at the current standard price.

C2.2.2.4. Materiel Returns to DLA from Industrial Sites under Base Realignment and Closure Retail Storage and Distribution/Inventory Management and Stock Positioning, and National Inventory Management Strategy². A variation of the MRP program is used for processing materiel returns to DLA from selected sites in support of the Base Realignment and Closure (BRAC) Retail Storage and Distribution (SS&D)/Inventory Management and Stock Positioning (IMSP) and the National Inventory Management Strategy (NIMS). Standard MRP DLMS/MILSTRIP transactions do not apply. No credit for packaging, crating, handling, or transportation (PCH&T) shall be provided.

C2.2.2.4.1. Industrial Sites. DLA managed materiel returned by an industrial customer at BRAC industrial sites will be accepted into DLA inventory regardless of DLA wholesale asset stock position. Credit shall be processed based upon a receipt of the returned materiel corresponding to a sale to Service maintenance (identified by DoD Activity Address Code (DoDAAC) series/internal customer group) for the same materiel and condition completed within the 60-day period prior to the date on the return. Up to 100 percent credit shall be processed at the full selling price of the item on the original order(s) used as reference for return quantity less than or equal to the quantity on the reference order(s). DLMS/MILSBILLS Billing for Issue from Stock (DLMS 810L/DIC FA2) shall be used to provide credit under modified business rules. Credit for any quantity returned over the original amount, in a different condition code from the original sale or unmatched is subject to DLA ICP stock position using business rules equivalent to the MRP for determining whether to provide credit/credit amount contained in [DoD 4140.01-R](#), "Supply Chain Materiel Management Regulation," May 23, 2003. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (DLMS 810L/DIC FD2).

C2.2.2.4.2. National Inventory Management Strategy Sites. Credit for materiel returns from a NIMS site customer will be processed based upon the return receipt. The DLA ICP shall process the receipt and determine whether a sale has occurred for the same materiel, condition code, and customer within a 60-day time frame reflecting the exact same document number as the receipt (return) document. If there is an exact matching sale, the customer shall receive credit equal to the original sale. Credit for any quantity returned over the original amount, in different condition

² DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for PCH&T.

code from the original sale or unmatched is subject to credit/credit amount from C2.2.2.4.1. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (DLMS 810L/DIC FD2).

C2.2.3. Method of Billing

C2.2.3.1. Bills arising from transactions containing a National Stock Number (NSN) within the DoD will be collected through the Military Standard Billing System (MILBILLS) interfund billing procedures when supported by the supply and accounting systems. The provider will not accept a Military Interdepartmental Purchase Request (MIPR) if interfund can be used. Manual billing (e.g., the XP fund code) will not be used unless approved by the Deputy Chief Financial Officer. For intragovernmental interfund disputes, follow the dispute process outlined in Chapter 4.³ Billings to DoD offices must be under interfund procedures except as provided below.

C2.2.3.2. Billing shall be under noninterfund procedures when:

C2.2.3.2.1. The bill-to office is non-DoD (Bill-To Service Code is numeric, G, or Z).

C2.2.3.2.2. The bill-to office is a DoD contractor (Bill-To Service Code is C, E, HG, L, Q, SD, or U).

C2.2.3.2.3. The bill-to office is DoD (Bill-To Service Code is alpha other than C, E, G, HG, L, Q, SD, U, or Z) and the fund code requires noninterfund billing (normally XP fund code).

C2.2.3.2.4. The bill-to office is another-DoD Component (Bill-To Service Code is H) and the fund code is not identified as a valid fund code.

C2.2.3.2.5. The bill-to office is Army & Air Force Exchange Service (AAFES) (Bill-To Service Code is H followed by an X).

C2.2.3.2.6. DLA Transaction Services will reject bills when they fail any of the edits. See Chapter 6.2 for information about the routing and editing of bills processed through DLA Transaction Services. Rejected bills will be returned to the originating communications center with a narrative description indicating the reason for rejection. Billing offices will correct the rejected bills and resubmit them to the DLA Transaction Services. Billing offices will ensure that all appropriate adjustments for rejected billings and interfund collections are made to seller accounting records.

³ From DoD 7000.14-R, Volume 4, Chapter 3 Receivables, Paragraph 030504.B (November 2009)

C2.2.3.3. Method of Billing Summary. Billing methods are summarized in Table C2.T1.

Table C2.T1. Method of Billing

<u>Condition Number</u>	<u>Billed DoDAAC Begins With:</u>	<u>And Fund Code is:</u>	<u>Then the Billing Method is:</u>
1	C, E, G, HG, HX, L, Q, SD, U, Z, or numeric	Any	NON INTERFUND
2	Any Service code	XP or otherwise designates noninterfund	NON INTERFUND
3	H	Not identified as eligible for interfund billing	NON INTERFUND
4	Anything other than conditions described by 1, 2, or 3		INTERFUND

C2.2.4. Determining Bill-To Parties

C2.2.4.1. Billed Party. Ordering activities shall identify a billed party DoDAAC for all requisitions or other orders, including nonreimbursable orders.

C2.2.4.2. Billed Party Not Identified. Item managers or other providers of goods and services shall reject requisitions or other orders when a valid billed party is not identified. In the event an order comes through without a valid bill-to party, billing offices will designate the ordering or submitting activity as the bill-to party if, for whatever reason, they are unable to identify a valid billed party. The Service Security Assistance Control Office shall be designated as the bill-to party for unidentifiable security assistance requisitions. The Service control offices are: Army–W25P02, Navy–N65916, and Air Force–FG2303.

C2.2.4.3. The mailing address for noninterfund bills shall be the clear text address prescribed for billing (TAC 3 if assigned; otherwise TAC 1) in the DoDAAD ([DLM 4000.25](#), Defense Logistics Management System Manual, Volume 6, Chapter 2). The routing for interfund bills shall be based on the billing Communication Routing Identifier (COMMRI).

C2.2.5. Nonreimbursable Bills. Materiel issued under nonreimbursable procedures must be reported to the billed office using the Notice of Nonreimbursable Issue (810L/DIC FE_).

C2.2.6. Interfund Bills

C2.2.6.1. Use of Interfund. If the bill is paid under interfund procedures, the billing office will report the collection to its servicing finance center on its seller interfund report. A separate interfund bill will be prepared for billings applicable to a bill-to DoDAAC and treasury symbol.

C2.2.6.2. An interfund bill consists of a Summary Billing Record (DS 810L, DI code FS_) and one or more detail billing records, but shall not contain more than 495 records in total. Noninterfund records shall not be included on the same bill.

C2.2.6.3. Interfund bills are forwarded to DLA Transaction Services electronically for editing and further routing to the offices billed as described in Chapter 6. Only billings routed by DLA Transaction Services shall be eligible for interfund collection as prescribed in Chapter 5.

C2.2.6.4. Separate detail billing records, selected from the Appendix 3 series appendices, shall be prepared for each shipment of delivery supporting the summary billing record.

C2.2.6.5. The fund code (see Appendix 2) provides procedures for converting fund codes to appropriations charged.

C2.2.6.6. A separate interfund (or noninterfund) bill shall be prepared:

C2.2.6.6.1 when the billed office DoDAAC or fund code changes,

C2.2.6.6.2. when the net amount of the bill (net amount of the detail billing records) equals or exceeds 10 million dollars,

C2.2.6.6.3. when the number of billing records (summary plus detail billing records) exceed 495 records, or

C2.2.6.6.4. when there are different Security Cooperation Customer Codes.

C2.2.6.7. The recommended standard for interfund bill numbers appears in Table C2.T2.

Table C2.T2. Standard Interfund Bill Numbers

<u>If the Billing Month Is:</u>	<u>The 1st Position of the Bill Number Will Be:</u>	<u>If the Billing Month Is:</u>	<u>The 1st Position of the Bill Number Will Be:</u>
January	A or B	July	N or P
February	C or D	August	Q or R
March	E or F	September	S or T
April	G or H	October	U or V
May	J or K	November	W or X
June	L or M	December	Y or Z
The remaining four positions of the bill number will be alpha or numeric (characters A-Z or 0 or 9). The bill number shall be unique within the billing month.			

C2.2.7. Noninterfund Bills

C2.2.7.1. When an activity is unable to use electronic data interchange (EDI) methods (i.e. DLMS 810L), it may use the [SF 1080](#), "Voucher for Transfers between Appropriations and/or Funds," or other form approved by the Treasury Department, such as [GSA Form 789](#), "Statement, Voucher, and Schedule of Withdrawals and Credits" as the billing document for noninterfund bills.

C2.2.7.2. An original of the noninterfund billing shall be provided to the billed office. Noninterfund billings will, at a minimum, be supported by the following information⁴: document order number, description of the article or services, delivery or other performance date, quantity, and price. The document order number and description will usually be satisfied by the requisition document number and NSN. The delivery or performance date is the same as the day of year prescribed for the detail billing record appropriate for the issue or service.

⁴ Though not required, to facilitate the resolution of billing or payment disputes involving noninterfund bills, billing offices should also include electronic contact information on the bill.

C2.2.7.3. Billing offices may, at their option and with the customer's concurrence, provide automated support for noninterfund billings using the G series billing records. These billing records shall be transmitted electronically to DLA Transaction Services, which will pass the records to the billed office by the best means available. Hard copy billing documents are not required.

C2.3. RETENTION OF BILLING RECORDS

C2.3.1. Billing offices must have accessibility to billing records for six years, three months after the month of the billing. Billing records include a copy of the bill and supporting records.

C2.3.2. Notwithstanding the requirements of C2.3.1, adjustment processing activities shall retain accessibility to billing records for whatever time period is required to enable them to process adjustments for requests or validated discrepancy reports when the request or report leading to the adjustment is received within prescribed timeframes.

C2.3.3. For security assistance, interfund bills are considered supporting execution documentation required to be maintained by the Implementing Agency in accordance with DoD 7000.14R, Volume 15, 0602.J.7.

C2.4. CORRECTION OF ERRONEOUS BILLINGS

C2.4.1. Billing Forwarded To Customer. When a billing office finds it has issued an invoice containing one or more erroneous billing lines, it shall correct the erroneous billing line in a later invoice. Normally, billing offices are expected to reverse and reissue only the erroneous billing line, not the entire invoice. The corrections shall be processed as soon as practical and shall not await customer requests for adjustments.

C2.4.2. Billing Rejected By DLA Transaction Services. Billings rejected by DLA Transaction Services must be corrected and resubmitted to obtain reimbursement. Corrective procedures shall include the accounting records to maintain the audit trail and the validity of the records. For example, in-transit interfund collections and paid accounts receivables related to the rejected bills will have to be reversed.

C2.5. CANCELLATIONS. When a provider accepts a customer's request to cancel a requisition or other order, any billings generated for that requisition shall be reversed in the next billing cycle. When the cancellation involves diverting materiel back to stock, the billing shall be reversed upon receipt of the materiel. Any charges related to the cancellation, such as contract termination costs, will be billed under noninterfund procedures.

C2.6. BILLING FOR ACCESSORIAL AND ADMINISTRATIVE COSTS

C2.6.1. DoD Shipments

C2.6.1.1. Purpose. Accessorial and administrative costs may be invoiced using either interfund or noninterfund reimbursement methods. However, in all cases, billing shall be accomplished in the same manner as the materiel. DoD 7000-14-R, Volume 6, provides the DoD policy for billing accessorial and administrative costs.

C2.6.1.2. Normal Charges. Unless otherwise indicated on ordering documents or transactions, accessorial costs incurred for supply items requisitioned by DoD Activities shall be charged to the same funds as the materiel.

C2.6.1.3. Retail Loss Allowance. DoD 7000.14-R, volume IIB, requires the DWCF to grant a discount for retail losses to retail stock funds based upon net issues after authorized credits or offsets have been applied. These discounts are to provide funds for losses experienced at the retail stock fund level. Retail loss discounts shall not be granted for sales to commissaries and customers of retail or installation level stock fund activities. However, retail loss discounts are authorized for all military clothing items sold to Military Exchanges.

C2.6.1.4. Packing, Crating, Handling, and Transportation

C2.6.1.4.1. Reimbursements for packing, crating, and handling costs for (a) IMM/ICP directed lateral redistributions, (b) IMM/ICP authorized MRP and sales returns, and (c) IMM/ICP directed procurement offset returns associated with In-Storage Visibility (ISV) shall be a percent of the materiel credit price. The rate shall be 3.5 percent for consumable items and 1 percent for reparable items. Billing offices shall use the Accessorial and Other Miscellaneous Billings record format to support these billings and reimbursements.

C2.6.1.4.2. Reimbursements for transportation costs for (a) IMM/ICP directed lateral redistributions, (b) IMM/ICP authorized MRP and sales returns, and (c) IMM/ICP directed procurement offset returns associated with ISV shall be for an amount equal to the IMM/ICP's cost recovery rate for second destination transportation included in the selling price of the materiel and shall be supported by a Billing for Transportation record format.

C2.6.1.4.3. Billing offices shall use the Accessorial and Other Miscellaneous Billings or other appropriate record to support billings and reimbursements for other authorized PCH&T, administrative, or accessorial charges.

C2.6.1.4.4. Reimbursement for packing, crating, handling, and transportation shall not be provided for materiel returns to DLA industrial sites under BRAC SS&D/IMSP, or NIMS sites⁵. Refer to C2.2.2.4.

⁵ DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for PCH&T.

C2.6.2. GSA Shipments

C2.6.2.1. General. GSA shall assess accessorial and administrative costs on shipments to the Department of Defense as indicated in this section.

C2.6.2.2. Transportation Charges

C2.6.2.2.1. Paid By GSA. GSA shall pay transportation charges on stock items to:

C2.6.2.2.1.1. Consignees in the CONUS, and, where scheduled, surface commercial transportation services are available in Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island.

C2.6.2.2.1.2. A U.S. port of embarkation for overseas destinations not included in subparagraph C2.6.2.2.1.1.

C2.6.2.2.2. Paid By Customer. GSA shall not pay transportation charges for shipments of special order program (nonstock) items, purchased free on board (FOB) origin. GSA will, however, prepay and bill the agency as a separate item for:

C2.6.2.2.2.1. Transportation charges to a CONUS destination or a U.S. Port of Embarkation on F.O.B. origin items.

C2.6.2.2.2.2. Transportation charges from a CONUS destination or a U.S. Port of Embarkation to consignees in Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the Southeast Peninsula of Alaska, Central Alaska (rail belt), and Kodiak Island.

C2.6.2.2.2.3. Transportation charges billed under interfund procedures shall be billed using the Accessorial and Other Miscellaneous Billings record.

C2.6.2.3. Export Charges

C2.6.2.3.1. Surcharge shall be assessed at the rate of 10 percent of the value of the materiel ordered and shipped to customers overseas from GSA wholesale distribution centers and vendors when unique DoD marking/packing requires the shipment be physically handled by a GSA export packing facility. The export surcharge shall be billed as follows:

C2.6.2.3.2. A flat fee of \$5 administrative charge per requisition line shall be assessed for export shipments not physically handled by a GSA export packing facility.

C2.6.2.3.3. The export services performed on shipments for customers overseas may vary by customer location, commodity, mode of shipment, and other criteria and include: monitoring and expediting delivery to meet required delivery date; over packing and documenting dangerous/hazardous shipments; challenging air eligible shipments; unitizing, consolidating, and palletizing cargo; arranging for seavans to source load cargo and document shipments for delivery to ports of embarkation; and others.

C2.6.2.3.4. GSA shall annually review actual costs to perform export services and, as appropriate, propose changes in the above rate for use throughout each fiscal year. The Under Secretary of Defense (Comptroller) shall be advised sufficiently in advance for appropriate program and budget planning.

C2.7. BILLING FOR PROGRESS AND ADVANCE PAYMENTS

C2.7.1. Progress Billings

C2.7.1.1. Purpose. Progress payments may be billed via interfund whenever the order received from the customer specifies that progress billings via interfund are authorized. Documentation of the agreement by the customer to allow progress billing via interfund may be used in lieu of a specific provision on each order.

C2.7.1.2. Billing Basis. Billings made for progress payments will be based upon documentary evidence of satisfactory performance and shall not exceed the amount of the customer order.

C2.7.1.3. Offsets. The billing office shall offset billing lines for deliveries against all outstanding progress billings related to those deliveries. Billing lines shall be reported for both the sales price of the shipment and the amount of the progress billing being liquidated. The billing method elected for the progress payment will also be the method used to invoice for the delivery.

C2.7.1.4. Multiple Progress Billings. Although multiple progress billings may have been submitted against an order, a single recoupment billing may be reported for the total amount of the progress billings.

C2.7.2. Advance Billings

C2.7.2.1. Applicability. Advance billings may not be billed via interfund. When authorized, advance funding will be satisfied via noninterfund and by the use of appropriation level, rather than project or order level, advances.

C2.7.2.2. Application of Advances. Received advances must be returned or applied to accounts receivable before the end of the fiscal year.

C2.8. INTO-PLANE FUEL SALES

C2.8.1. Applicability. These procedures apply to DoD into-plane issues (sales) of fuels to DoD aircraft except when other billing procedures are specified by the terms of an inter-Service support agreement.

C2.8.2. Reimbursable Issues. Reimbursable issues (sales) of fuel into DoD planes by DoD activities shall be billed at the standard price in effect at the time of issue.

C2.8.3. Contractor Fuel Issues. Contractor into-plane fuel issues shall be billed at the standard price applicable to each such issue.

C2.8.4. DWCF Billing. Billing offices funded by the DWCF will grant credit for DoD aircraft defueling based on supply defueling slips at DWCF prices.

C2.8.5. Credits. Credits shall be given for contractor into-plane defueling of DoD aircraft based on a defueling slip at the standard price given for each defueling.

C2.8.6. Into-plane fuel bills shall use the Billing for Into-Plane Issues record format.

C2.9. HAZARDOUS MATERIEL AND WASTE BILLINGS

C2.9.1. Users of DLA's hazardous materiel and waste disposal services shall provide DLA with a disposal turn-in document ([DD Form 1348-1A](#), "Issue Releases/Receipt Document," or [1348-2](#), "Issue Release/Receipt Document with Address Label") as prescribed by DLM 4000.25. Since these services are provided on a reimbursable basis, the order will be funded in accordance with the standards prescribed by DoD 7000.14-R. The order will generally authorize DLA to use the interfund billing system to reimburse themselves for these services.

C2.9.2 General⁶

C2.9.2.1. General policies and procedures governing hazardous materials and waste disposal within the Department of Defense are prescribed by [DoD 4160.21-M](#), "[Defense Materiel Disposition Manual](#)," [August 19, 1997](#). DLA Disposition Services (formerly the Defense Reutilization and Marketing Service) is authorized to bill for these services under interfund billing procedures and shall use the Billing For Decentralized, Noncatalogued, and Nonstocked Items billing record.

⁶ The "background" information in this subsection is provided to assist financial personnel in understanding their responsibilities with regard to hazardous waste and materiel disposal services. Any conflicts between information contained in this subsection and procedures prescribed by MILSTRIP or DoD 4160.21-M will be resolved by following MILSTRIP procedures.

C2.9.2.2. Requestors of services wanting to dispose of hazardous waste and materiel shall follow the procedures in DoD 4160.21-M and Chapters 3 and 5 of [MILSTRIP DLM 4000.25-1](#). These procedures require preparation of a disposal turn-in document (DTID) in accordance with instructions prescribed by MILSTRIP⁷ and provide it to the DLA Disposition Services Field Office (formerly Defense Reutilization and Marketing Office (DRMO)). The DLA Disposition Services Field Office shall provide the generator with a receipt copy of the DTID at the time of turn-in.

C2.9.3. Hazardous Waste Disposal

C2.9.3.1. Hazardous waste disposal services are provided on a reimbursable basis and generators must, therefore, contact their servicing finance office to ensure that funds are obligated for these services. Prior to actual turn-in and disposal, the cost of hazardous waste disposal services may be estimated by referring to the contract governing the materiel being disposed of. The estimated cost of the disposal must be obligated under the DTID number. Contact the DLA Disposition Services Field Office for assistance in estimating the cost.

C.2.9.3.2. The DLA Disposition Services Field Office shall provide the generator with copies of the disposal manifest ([DD Form 1155](#)) and any modifications as the disposal request is executed and modifications are agreed to. The DLA Disposition Services Field Office shall also provide the generator with a certified copy of disposal for each DTID. Generators must advise their servicing finance office when estimated amounts obligated at the time of turn-in or execution are lower than actual amounts indicated on these documents.

C2.9.3.3. Establishing an obligation for the proper amount under the DTID document number is essential for the timely and automated processing of interfund charges. Failure to do so is a violation of financial management procedures and shall delay updating generator accounts and increase workload on both DFAS and generator personnel.

C2.9.4. Hazardous Materiel Disposal

C2.9.4.1. Unlike hazardous waste, disposal of hazardous materiel may not result in any charges to the generator. Therefore, unless you are certain you will incur disposal charges, generators should not obligate turn-ins of hazardous materiel. After receipt of the hazardous materiel DTID, the DLA Disposition Services Field Office must advise the generator if disposal costs that are the responsibility of the generator will be incurred. The following determines whether or not the generator shall be charged for disposal of hazardous materiel.

⁷ Appendix 3.49 Transfers To DLA Disposition Services Field Office on [DD Form 1348-1a](#) Issue Release/Receipt Document, or [DD Form 1348-2](#), Issue Release/Receipt Documents With Address Label.

C2.9.4.2. There shall be no disposal costs charged to the generator if the DLA Disposition Services Field Office can dispose of the hazardous materiel through an existing contract or believes the materiel can be reutilized, transferred, donated or sold.

C2.9.4.2.1. DLA Disposition Services Field Offices shall provide the generator with a monthly Disposal Funding Status Report of the DTIDs that were successfully reutilized.

C2.9.4.2.2. Generators who have open hazardous materiel disposals in process shall contact the DLA Disposition Services Field Office if they fail to receive a monthly Disposal Funding Status Report.

C2.9.5. When the preceding condition does not apply, the hazardous materiel becomes hazardous waste, the disposal shall be on a reimbursable basis, and hazardous waste disposal procedures apply. Funding for this hazardous waste disposal must be provided to the DLA Disposition Services Field Office within 5 workdays of notification. The DLA Disposition Services Field Office must not proceed with the disposal of the now classified hazardous waste until funding is confirmed by the generator.

C2.10. GENERAL SERVICES ADMINISTRATION UNIQUE BILLINGS

C2.10.1. Automotive Vehicles

C2.10.1.1. GSA is authorized to use the interfund billing system to invoice DoD activities for automotive vehicles purchased under a category one (reimbursable) MIPR. DoD activities submitting a MIPR must do so in accordance with paragraph 8.7008 of the DoD Supplement to the Federal Acquisition Regulation, which requires activities to provide DLMS requisition data for each line-item to be delivered to each ship-to address.

C2.10.1.2. For purposes of identifying and validating charges, GSA shall support interfund billings for automotive vehicles with a single line item billing register. The register must show, in addition to the information shown on the billing record, the full MIPR number under the columns headed "STOCK NUMBER."

C2.10.2. GSA Customer Supply Center Billing Procedures

C2.10.2.1. GSA bills DoD customers for Customer Supply Center (CSC) billings using either a customer provided MILSTRIP document number or a constructed pseudo-document number. The document number is constructed from the ordering DoDAAC of the customer provided at the time the account was opened, the Julian day the order was placed, and the last four positions of the ticket number. GSA shall treat all line items requisitioned as a single order, with or without multiple line items, and bill for the order under the constructed document number if the customer doesn't provide a MILSTRIP document.

C2.10.2.2. GSA CSC interfund bills shall be supported by the GSA CSC Billing record.

C2.10.2.3. Noninterfund bills shall be supported by the Single Line Item Billing Register. The register must include the customer provided MILSTRIP document number in the stock number field.

C2.10.2.4. GSA offers its customers the option of having its CSC billings billed to a Government purchase card. Activities having difficulties with interfund or [SF 1080](#) billings of CSC supplies may want to consider this option.

C2.11. ARMY EXCHANGE PRICING PROCESS

C2.11.1. The Army approach to the Exchange Pricing (EP) interim approach is a multi-system functionality implementation. EP employs a dual pricing system for a repairable NSN item based upon Standard Price (latest acquisition cost plus recovery rate) and EP (latest repair cost plus cost recovery rate) and a “buy one–return one” relationship with the customer (i.e., a qualified exchange pricing customer buys at the EP and pays a penalty if a reparable is not turned-in within a specified period of time from the issue date). This process is applicable to Army customers and Army-managed materiel only; other Services will continue to pay Standard Price and receive 65 percent credit exchange upon receipt of carcass by the Army Primary Inventory Control Activity (PICA).

C2.11.2. Once an item of supply is identified for a national repair program and the National Item Identification Number (NIIN) has an established Exchange Price, all requisitions for the items will be priced at the Exchange Price if the customer is an authorized EP customer.

C2.11.3. When a requisition submitted to the Supply Support Activity (SSA) is processed by the Standard Army Retail Supply System (SARSS), SARSS will determine if both the customer DoDAAC is an EP customer, and the NIIN has an established EP indicator. As this transaction is processed through the Army supply system, middleware, Funds Control Module (including EP Tracking) Defense Automatic Addressing System (DAAS), Commodity Control Supply System (CCSS), and Army Logistics Modernization Program (LMP), the EP indicator will be used to identify the transaction as EP related. All the legacy systems will continue processing the MILS transactions; LMP will process DLMS transactions that are converted by DLA Transaction Services.

C2.11.4. All related supply transactions prepared by the Army will carry and perpetuate the EP Indicator. The following transactions will be impacted as a result of the EP implementation: Requisition; Requisition Modifier; Requisition Follow-up; Materiel Release Order; and Supply Status. The returns process will also process EP related transactions. The Materiel Receipt transaction will be generated by SARSS for

all returns of EP NIINs, and will include an EP Type of Credit indicator for Unserviceable credit when applicable and an EP Conversion Indicator to identify the need to provide credit according to the pre EP credit policy, which will last for 60 calendar days following EP implementation.

C2.11.5. If the return has an un-repairable condition code or the item is not returned within the established timeframe (Delta Delay Days), the national level systems (LMP, CCSS) will create an obligation adjustment based on the receipt from Middleware Funds Control Module of a Materiel Returns Supply Status (Delta Bill Trigger) transaction. As a result of processing the delta bill trigger the national systems will create the logistics/interfund bill transaction with an EP Indicator and Type Bill code to identify the specific type of EP bill to the Army financial system.

C2.12. NAVY EXCHANGE PRICING PROCESS

C2.12.1. The Navy uses a two tier pricing system for selling Depot Level Repairable (DLR) materiel to Navy customers. The Navy sells DLRs to other Services at full (standard) price and then provides carcass value credit when the carcass is returned. This is the same method the Air Force and Army use when selling repairable items to the Navy. The Standard Price is the price representing the full value of the DLR item, and is the price charged when a Not Ready For Issue (NRFI) unit (also referred to as a 'Carcass') is not turned in. The Net Price (also referred to as Exchange Price) is the price that includes the cost of repairing a DLR item, and is the price charged to customers when a NRFI unit has been or will be turned in. Navy customers indicate on their requisitions whether a NRFI unit is available for turn in via the Advice Code, and they are then charged Net or Standard Price accordingly.

C2.12.2. Received requisitions indicating that a carcass will be returned are tracked in the Navy's Carcass Tracking System. This system monitors these requisitions and matches them with carcass returns as they occur. This system also generates follow ups to customers who have not returned their carcasses as promised. Ultimately, the system will trigger an additional charge to the customer if the carcass is not returned. Navy uses the term "Carcass Charge" for this additional billing, which represents the difference in value between Standard Price and Net (Exchange) Price. This additional billing is also referred to as a Delta Bill. If the customer returns the carcass after receiving the Carcass (Delta) Bill, then the additional billing is reversed, resulting in a Carcass Charge Reversal (Credit Delta Bill). Navy customers may also return excess DLRs for credit. The credit can be Standard, Net, or Carcass value.

C2.12.3. Under legacy format Defense Logistics Standard Systems (DLSS)/MILSBILLS billing, the Navy ICPs use the Sales Price Condition Code to indicate to customers that a bill is either Net (Exchange) Price or Carcass (Delta) Price. Once operational, the Navy's ERP will replace the Navy ICP's DLSS/MILSBILLS billing system with a DLMS based system. Since DLMS does not utilize a Sales Price Condition Code, Navy will use a combination of Stock Exchange Code and Type of Bill

Code to indicate on the bill whether the price charged is Standard, Net, or Carcass price. DAAS will convert Navy bills back to DLSS/MILSBILLS format for any Navy customers unable to accept DLMS formats.

C2.13. INCLUSION OF TRANSPORTATION CONTROL NUMBERS ON DLMS LOGISTICS BILLS. Suppliers may bill on partial shipments with identical quantities under the same document number, which makes the bills appear as duplicates. Including the Transportation Control Number (TCN) on the DLMS Logistics Bill will resolve that problem. Partial shipment codes are part of the TCN structure in accordance with [DTR 4500.9-R](#), “Defense Transportation Regulation”. Accordingly, reporting activities shall include the TCN in DLMS Logistics Bill transactions. This is a DLMS enhancement, which may be implemented without prior authorization.

C3. CHAPTER 3

PROCESSING AND PAYMENT OF BILLS

C3.1. PAYMENT OF NONINTERFUND BILLS

C3.1.1. Payments made to other Federal Agencies are due upon receipt and shall be paid in full. The following exceptions apply:

C3.1.1.1. Bills for issues to North Atlantic Treaty Organization (NATO) (Supreme Headquarters Allied Powers Europe (SHAPE)) (identified by billed office Department of Defense Activity Address Code (DoDAAC) WM1Q7K) are due 120 calendar days after the billed date.

C3.1.1.2. Bills for issues to United Nations (UN) Peacekeeping Forces (identified by billed office DoDAAC WN7GX8) are due 120 calendar days after the billed date.

C3.1.2. When the appropriations to be reimbursed and disbursed are both within the Department of Defense, bills may be paid either by check or through cross disbursing (no check) procedures. Payments involving appropriations outside the Department of Defense shall be by check.

C3.1.3. All remittances must include either the bill number or a copy of the bill.

C3.2. **PROCESSING INTERFUND BILLS.** Interfund bills are notices of disbursement of billed office funds by the billing office. Accordingly, billed offices shall take prompt action to record and clear the in-transit disbursement.

C3.3. ADJUSTMENTS

C3.3.1. Billed offices shall review all charges to ensure that billed items were ordered and that obligations are adjusted when appropriate. All requests for billing adjustments shall be prepared in accordance with Chapter 4.

C3.3.1. Billed offices shall review all charges to ensure that billed items were ordered and that obligations are adjusted when appropriate. All credits shall be reviewed to ensure that they are warranted and correct. Billed offices shall request adjustments for erroneous charges or credits in accordance with Chapter 4.

C3.3.2. Billing or other discrepancies that do not meet the criteria for requesting adjustment, described in Chapter 4, shall be recorded as obligations, funds disbursed, and expenses.

C4. CHAPTER 4

ADJUSTMENT PROCEDURES

C4.1. REQUESTING ADJUSTMENTS

C4.1.1. Submission of Adjustment Requests

C4.1.1.1. Unless otherwise indicated in this chapter, requests for adjustment, follow-ups, and replies shall be submitted by electronic means.

C4.1.1.2. Requests are generally prepared using the Request for Billing Adjustment (DLMS 812R, DIC FAE) record. However, into-plane and bulk fuel related adjustment requests must use the Request For Adjustment of Fuel Billing (DLMS 812 R, DIC FJE). Refer to other Chapter 4 sections for more specific information on preparing requests for adjustments and follow-ups.

C4.1.1.3. Requests for adjustments will normally indicate the billing office as the addressee and shall be submitted to DLA Transaction Services for processing and routing to the billing office. Requests for adjustments of GSA billings shall be addressed to the GSA National Customer Service Center (DoD Activity Address Code (DoDAAC) 476437, RI code GSA). Correspondence to the Service Center, if necessary, may be directed to:

General Services Administration
National Customer Service Center
1500 East Bannister Road
Kansas City, Missouri 64131-3087
Telephone: (800) 488-3111 (DSN) 465-1416

C4.1.2. Nonreimbursable. Forward a request for adjustment in the format prescribed for billing account code (BAC) 14 when the coding of the requisition indicates that the materiel was requisitioned under nonreimbursable procedures and a materiel billing was received.

C4.1.3. Accessorial. A request for adjustment in the format prescribed for BAC 15 shall be forwarded whenever accessorial costs are charged and the charges are not authorized.

C4.1.4. Timeframes. All requests for adjustments should be submitted within 30 calendar days of receipt of the billing. Initial requests for adjustment received after the record retention period for billing records may be denied. When a discrepancy report or adjustment request is received within prescribed timeframes, nonavailability of records, or the passing of the record by the time the report is validated or the request is processed, may not be used as a basis for denying the adjustment.

C4.1.5. Minimum Value

C4.1.5.1. Adjustment for Billing Errors. In general, no request for adjustment should be submitted for billing errors when the amount of the error is \$250 or less. As an exception to the general guideline, no request for adjustment should be submitted for billing errors when the amount of the error is \$100 or less and the billing office is GSA or the materiel involved is a subsistence item.

C4.1.5.2. Adjustment Types. There is no minimum value for requesting status on an anticipated or required billing, requesting a corrected bill when the received bill is incomplete, requesting a copy of a bill, requesting a change in the type of billing (interfund to noninterfund and noninterfund to interfund), or requesting adjustments for validated discrepancy reports.

C4.1.5.3. Foreign Military Sales Billing Errors. There is no minimum value for adjustment of foreign military sales (FMS) billing errors. However, adjustment requests for FMS shipments may not be submitted when the request can be rejected per the general conditions of the U.S. Department of Defense Letter of Offer and Acceptance.

C4.2. CANCELING OR AMENDING REQUESTS FOR ADJUSTMENT

C4.2.1. Canceling Requests. Submitting offices may cancel requests for adjustments whenever the request is no longer valid or appropriate and the billing office has not provided a final reply to the request.

C4.2.2. Amendments. Requests for adjustments may be amended by canceling the original request and submitting a new request.

C4.3. FOLLOW-UP ON UNANSWERED REQUESTS FOR ADJUSTMENT

C4.3.1. Adjustment Requests. Except for follow-ups to DLA Transaction Services, offices submitting adjustment requests will follow-up on requests for adjustments remaining unanswered for more than 14 calendar days after submission. If the request for adjustment remains unanswered for more than 14 calendar days after follow-up, submitting offices will forward a second and final follow-up by letter or message to the billing office. In addition to providing the billing office with the information required to process the request, the final follow-up will identify the dates of initial and follow-up request.

C4.3.1.1. Follow the procedures prescribed for noncompliance and other problems (see Chapter 1) when requests for adjustments or requests for MRP credits remain unanswered for more than 30 calendar days after the second follow-up or if an interim response was received and the promised date has passed.

C4.3.1.2. Follow up to DLA Transaction Services (daashelp@dla.mil) for copies of interfund bills that were requested but not received.

C4.3.2. Credit Follow-Up. Offices designated to receive Materiel Returns Program (MRP) credit will initially follow-up on the credit due when the credit has not been received and more than 30 calendar days have elapsed since the creditable status was received. A second follow-up will be submitted if a reply or credit is not received within 30 calendar days of the initial follow-up.

C4.4. REPLYING TO REQUESTS FOR ADJUSTMENT OR MATERIEL RETURNS PROGRAM CREDIT

C4.4.1. Processing Adjustments. Billing or adjustment processing offices will reply to adjustment requests using Defense Logistics Management System (DLMS) 812L, Adjustment Request Reply transaction. The DLMS Supplement will also be used to reply to follow-up requests.

C4.4.2. Responding to Requests. Billing offices shall respond to all requests for adjustment within 13 calendar days of the date the request is received. Billing offices shall respond to follow-up requests for adjustment within 13 calendar days of the date the request is submitted. Replies to adjustment requests (DLMS 812L, Document Identifier Code (DIC) FAR) and follow-ups (DLMS 812L, DIC FAS) are required and shall also be forwarded to DLA Transaction Services for processing and further routing to the adjustment requestor. As with the requests, fuel-related replies shall follow the equivalent DIC FJ_ series formats. All adjustment replies shall include an appropriate coded reply.

C4.4.2.1. Responses to adjustment requests shall be forwarded to the office designated by the recipient of billing status code. Adjustments shall be forwarded to the original billed office.

C4.4.2.2. Billing offices shall respond to initial requests and first follow-up for MRP credit in the DLMS 812L, DIC FTB format. Responses shall be forwarded, via DSN, to the office designated by the materiel receipt status (870M, DIC FTZ).

C4.4.2.3. Billing offices shall respond to second follow-up requests for adjustments and MRP credit within 30 calendar days of receipt. If the request cannot be answered within 30 calendar days, an interim response by letter or message will be provided. The response must be completed within 60 calendar days.

C4.5. ADJUSTMENT AMOUNT. In general, adjustments, when warranted, will be at the originally billed price. Adjustments for validated product quality deficiency reports (PQDRs) will be processed at the current standard price when the original billed price cannot be determined. Adjustments for Materiel Returns Program (MRP) credits will be at the current acquisition price or at a reduced price if, in the opinion of the Integrated Materiel Manager (IMM), the condition warrants such reduction.

C4.6. INCOMPLETE OR UNSUPPORTED BILL

C4.6.1. An incomplete bill is one in which the interfund or noninterfund bill is not fully supported by detail billing records or information, respectively.

C4.6.2. Since DLA Transaction Services will not pass incomplete interfund bills to billed offices and billing offices will not be reimbursed for bills not submitted to DLA Transaction Services, a copy of the “incomplete” interfund bill shall be requested from DLA Transaction Services.

C4.6.3. Requests for incomplete (i.e., unsupported) noninterfund bills shall be addressed to the billing office and must cite BAC 19. In addition to responding to the request, whenever the bill referred to is on file, billing offices must always provide a fully supported copy or corrected bill to the billed office.

C4.7. BILLING STATUS PROCEDURES

C4.7.1. Obtaining Bill Status. When requisitioned materiel is received, intended billed offices must use an Adjustment Request (DLMS 812R, DIC FAE) to seek the status of the bill. When materiel was not ordered, or if ordered and not received, discrepancy report procedures apply. See DLMS Volume 2, [Chapter 17](#) and [DoD 4500.9-R](#), Defense Transportation Regulation, Volume 2, Chapter 210 for discrepancy report procedures.

C4.7.2. Shipment Bill Status. When shipment status is received for requisitioned materiel and the materiel can be billed only upon evidence of constructive delivery, intended billed offices must use an Adjustment Request (DLMS 812R, DIC FAE) citing BAC 35 to seek the status of the bill. Billing offices may generate the required billing when properly completed requests are received and a billing is awaiting evidence of constructive delivery. Billing offices will also initiate appropriate actions with their supply office to identify and resolve problems underlying this condition.

C4.7.3. Timeframe. At least 90 calendar days must have elapsed after receiving the materiel or, in the case of FMS shipments, shipment status before requesting the bill status. However, the status must be requested within a year of the shipment date (2 years for FMS shipments). Billing offices may reject requests for billing status that are not submitted within these timeframes.

C4.7.4. When the billing status request involves fuels and is forwarded to DLA Energy (RIC S9F), the request shall be mailed and must identify the supply source. If the supply source is a DLA Energy regional location, provide the location’s DoDAAC. If the supply source is a contractor, including contractor Into-plane, provide the contract number.

C4.7.5. Restrictions. Except for billings awaiting evidence of shipment or receipt, billing offices will not generate bills based solely upon a request for billing status.

C4.7.6. [DoD 7000.14-R](#), Department of Defense Financial Management Regulations (FMRS), Volume 10 has allowances for writing off unbilled liabilities and de-obligating the related obligation when an invoice has not been received within 180 calendar days from the date of acceptable final performance and there is documentation on file that at least two written requests for an invoice have been made. Refer to the

reference for other conditions that must be met, such as establishing a reserve for late bills.

C4.8. BILL COPY PROCEDURES

C4.8.1. Requesting Copies. Requests for copies of interfund bills shall be addressed to DLA Transaction Services if the DLA Transaction Services record retention period has not expired. Requests must use the Request for Retransmission of Interfund Bill (DLMS 812R ,DIC QB1) format. See Chapter 6 for DLA Transaction Services record retention requirements and options for retrieving bill copies.

C4.8.2. Retransmitting Copies. DLA Transaction Services will retransmit copies of all bills wherein the billing office DoDAAC, bill number, and year within decade and month of credit match the same information on the request.

C4.8.3. Copies of Noninterfund Bills. Requests for copies of noninterfund bills will normally be addressed to the billing office.

C4.9. REQUESTS FOR CHANGE IN BILLING METHOD

C4.9.1. Change in Billing Method

C4.9.1.1. When billing offices bill under interfund procedures and MILSBILLS procedures do not allow for such billing, billed offices will forward requests for adjustment in the format prescribed for BAC 52.

C4.9.1.2. When MILSBILLS procedures prescribe billing under interfund procedures, billing offices shall deny requests for improperly billed interfund.

C4.9.1.3. When the requisition or customer asset report improperly designates interfund billing and the interfund billing cannot be processed, refer to the following subparagraph for requesting rebilling under noninterfund procedures.

C4.9.2. Properly Billed Interfund to Noninterfund

C4.9.2.1. When a billed office is unable to process a billing record under interfund procedures, the billed office may have the item or items billed under noninterfund procedures by forwarding a request for billing adjustment citing BAC 51. Use of this advice code is an admission by the billed office that the requisition or other document was incorrectly coded.

C4.9.2.2. Requests citing BAC 51 may be submitted only when the funds or charge cannot be disbursed or processed under interfund procedures. All such requests shall be honored by the billing office; the billing office may challenge this assertion.

C4.10. ADJUSTMENTS FOR DISCREPANCY REPORTS

C4.10.1. Financial Adjustment

C4.10.1.1. Discrepancy reports shall be submitted, reviewed, processed, validated, and responded to in accordance with the procedures described in the requirements in Table C4.T1.

Table C4.T1. Adjustments to Discrepancy Reports

Reporting of Transportation Discrepancies in Shipments DTR 4500.9-R "Defense Transportation Regulation"
Supply Discrepancy Reporting, DLM 4000.25, Chapter 17
Product Quality Deficiency Program, DLAR 4155.24/AR 702-7/SECNAVINST4855.5A/AFR 74-6

C4.10.1.2. Billing offices shall process financial adjustments or claims citing the applicable Type of Bill Code (QD, WP, WU, or TD) based on the discrepancy report when the discrepancy report is validated and all of the following MILSBILLS or GSA criteria are met:

C4.10.1.2.1. Discrepancy Not Otherwise Resolved. The discrepancy was not resolved otherwise; for example, the vendor does not replace deficient materiel for a validated PQDR.

C4.10.1.2.2. Materiel Billed and Paid. The materiel was billed and paid previously or, in the case of reporting on a constructed document number, there is a reasonable basis for assuming that the items were previously billed and paid.

C4.10.1.2.3. Materiel Returned. The materiel is received by the depot in those cases where the discrepancy report reply requires the return.

C4.10.1.3. The discrepancy involves GSA shipments and the Transportation Discrepancy Report (TDR) exceeds \$25 per line (detail billing record) (DBR) or the Supply Discrepancy Report (SDR) exceeds \$50 per line (DBR). There is no minimum adjustment level on PQDRs involving GSA shipments. There are no adjustment dollar value limitations for discrepancies involving DoD shipments.

C4.10.1.4. The original MILSTRIP requisition number is included on the PQDR or SDR. When the original requisition number cannot be identified, the originating or screening point must include a constructed 14 position MILSTRIP document number using the originating or screening point's DoDAAC for the first six characters, the current Julian date (YDDD) for the next four positions, and a four position serial number beginning with "U" as the first position of the serial number. An example of a constructed document number is F123453175 U001. Also carried as a utilization code under DLMS. Note: For SDRs, circumstances authorizing the use of a

constructed document number are restricted to those described in DLMS, Volume 2, Chapter 17.

C4.10.1.5. The discrepancy report for a GSA shipment is received by GSA, except when extenuating circumstances or high dollar values warrant special consideration, within the following timeframes:

C4.10.1.5.1. Within 1 year of the shipment date for PQDRs except:

C4.10.1.5.1.1. For items under warranty that must be received within the time limits prescribed in the individual warranty.

C4.10.1.5.1.2. For shelf life items that must be received prior to the expiration of the shelf life period and within 1 year of the shipment date.

C4.10.1.5.2. Within 180 calendar days of the shipment date for other than quality deficiencies except for:

C4.10.1.5.2.1. Shipments for security assistance consignees that must be received within 18 months of the shipment date; and

C4.10.1.5.2.2. Shipments to consignees located in the CONUS, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island that must be received within 120 calendar days of the shipment date.

C4.10.1.6. Improper Commitment. When a reply to a discrepancy report improperly commits the billing office to providing an adjustment (e.g., the shipment was never billed), the billing office will ask the replying office to correct the reply to the discrepancy report.

C4.10.2. Other Discrepancy Adjustment Rules

C4.10.2.1. Adjusting Discrepancy Reports. Requests for adjustments related to TDRs will be submitted only when the adjustment is not received and more than 60 calendar days have elapsed since the report was filed. Requests related to PQDRs and SDRs should be timely, but shall not be submitted until a minimum of 60 calendar days have elapsed since receiving notification that the discrepancy is validated (i.e., that an adjustment is approved). When the promised adjustment for a discrepancy is contingent upon the return of materiel, the request shall not be submitted until a minimum of 60 calendar days have elapsed since shipping the materiel with additional allowance for transportation time to the shipping activity. When a reply to a discrepancy report is not received, follow up as prescribed by DLMS Volume 2, Chapter 17.

C4.10.2.3. The portion of credits for materiel laterally redistributed may be fully or partially reversed by the IMM when a discrepancy report documents the materiel was not shipped in a condition warranting full credit.

C4.10.2.4. Activities responsible for discrepant shipments may be held responsible for costs incurred for repackaging, disposal, unauthorized returns, deficient packaging, and other item and packaging discrepancies that have been documented and validated under SDR procedures. Although other mutually agreeable arrangements may be made, such costs shall normally be recovered under noninterfund procedures and will be supported by the validated discrepancy report. In addition, when such returns are creditable, these discrepancy costs may be offset against the credit to which the returning activity is otherwise entitled.

C4.10.2.5. Adjustments based upon PQDRs shall be forwarded to the code and bill-to DoDAAC indicated on the PQDR. If omitted, adjustments shall be sent to the DoDAAC indicated (TAC 3, or TAC 1 if no TAC 3 exists) of the requisition number provided on the PQDR and the fund codes in Table C4.T2.

Table C4.T2. Default PQDR Fund Codes

BILLED SERVICE CODE	FUND CODE
N, P, R, or V (Navy)	96
All Others	QD

C4.11. ADJUSTMENTS FOR BILLING ERRORS

C4.11.1. The following are billing errors and shall not be accepted for processing unless the minimum value criterion (Section 4.1) for requesting adjustment is met:

- C4.11.1.1. Duplicates
- C4.11.1.2. Wrong amount billed
- C4.11.1.3. Wrong office billed
- C4.11.1.4. Improper billed
- C4.11.1.5. Promised adjustment not received
- C4.11.1.6. Other problems

C4.11.2. Duplicates

C4.11.2.1. Duplicate Billing Line

C4.11.2.1.1. A duplicate billing line is a second or later billing for a single shipment or adjustment. If the second or later billing resulted from a second or later shipment, financial adjustment procedures do not apply. See, instead, discrepancy report procedures for duplicate shipments in DLMS Volume 2, Chapter 17.

C4.11.2.1.2. To obtain adjustment for duplicate detail billing records not previously adjusted by the billing office, submit a separate request for each duplicated billing record in the format prescribed for BAC 11.

C4.11.2.2. Duplicate Bill

C4.11.2.2.1. This is an interfund or noninterfund bill (SF 1080 or equivalent), that is supported entirely by duplicate detail billing records. In the case of interfund bills, the bill is also included on the billing office's interfund report.

C4.11.2.2.2. Adjustments for duplicate interfund bills may be requested only upon confirmation that the bills (original and duplicate) were, in fact, reported to the buying service's Central Accounts Office (CAO). To obtain an adjustment, submit a Request For Summary Level Billing Adjustment (DLMS 812R, DIC FDE) for each duplicated bill citing:

C4.11.2.2.2.1. BAC 42 when the bill, details and summary are identical, including the bill number, to a previous bill,

C4.11.2.2.2.2. BAC 43 when, except for the bill number, the bill details and summary are identical to a previous bill, and

C4.11.2.2.2.3. BAC 44 when all of the supporting detail billing records of one bill have been included on another bill. The bill containing such previously billed DBRs is the duplicate bill.

C4.11.3. Wrong Amount Billed

C4.11.3.1. Purpose. A wrong amount billed refers to a billing line in which the unit price, quantity, or price extension is erroneous.

C4.11.3.2. Exceptions. Do not request adjustment for wrong amount if:

C4.11.3.2.1. The unit price is the correct standard or catalog price and you are questioning the price. Follow price challenge procedures instead.

C4.11.3.2.2. The extension does not agree with the amount billed and Sales Price Condition code B is indicated. In this case, the unit price shown on the billing record is the inventory carrying value, the standard unit price. The billing unit price, if needed, must be computed.

C4.11.3.2.3. The quantity billed equals the quantity ordered or shipped and a lesser quantity is received. Follow the appropriate DLMS Volume 2, Chapter 17 discrepancy reporting procedure instead.

C4.11.4. Wrong Office Billed

C4.11.4.1. Request. Request an adjustment for wrong office billed when the office billed does not agree with the coded requirements of the requisition or adjustment request and the coding indicated a valid billed office DoDAAC. A valid billed office DoDAAC is one listed in the DoD Activity Address Directory (DoDAAD) with the proper authority code (See Chapter 6, C6.2.2.1.2 of this volume).

C4.11.4.2. Request Denial. When the billing was prepared in accordance with the requisition or modification received by the Inventory Control Point/Integrated Materiel Manager (ICP/IMM), the request shall be denied.

C4.11.4.3. Wrong Office Assigned. When the billing office assigned the billed office as prescribed in Chapter 2 and the office assigned is not the intended office, the billed office will transfer or otherwise process the bill in accordance with procedures prescribed by the DoD Component. If the offices involved are serviced by the same finance center, the billed office shall contact the intended billed office or requisitioner and make arrangements for transferring the bill.

C4.11.5. Improper Billing

C4.11.5.1. General. A DLMS 812R, Adjustment Request citing the proper billing advice code should be submitted to billing offices to request adjustments for improper billings. For purposes of this section, an improper billing is a billing line which:

C4.11.5.1.1. Charges for materiel requisitioned under nonreimbursable procedures;

C4.11.5.1.2. Charges improperly for accessorial costs;

C4.11.5.1.3. Charges for materiel following a reply that a billing could not be rendered; or

C4.11.5.1.4. Charges for materiel confirmed cancelled when the materiel is not received.

C4.11.5.2. Cancelled. When a billing for materiel is received on a requisition that was confirmed cancelled by the ICP or IMM and the materiel is not received, a request for adjustment in the format prescribed for BAC 17 shall be forwarded to the billing office. When the materiel was received or if the requisition was not confirmed cancelled by the ICP or IMM, MILSBILLS procedures do not apply. Follow instead procedures prescribed for reporting SDRs. Although annotations on a shipping document, in conjunction with other factors, may support a discrepancy report, they do not support an adjustment for improper billing. A validated discrepancy report is needed.

C4.11.5.3. Backordered. A request for adjustment in the format prescribed for BAC 18 shall be forwarded to the billing office whenever a billing is received on a requisition that was backordered and the receipt of the billing status, confirming that the

material was not received. Do not submit requests citing BAC 18 prior to obtaining this status.

C4.11.5.4. Billing Cannot Be Rendered. Billed offices shall request adjustment in the format prescribed for BAC 20 whenever the billing office issues a bill after advising, in a response to a request for billing status (Billing Status Codes DC and DF), that a bill could not be rendered.

C4.11.6. Promised Adjustment Not Received. Billed offices shall forward an Adjustment Request (DLMS 812R, DIC FAB/FJR) with the proper billing advice code to the billing office to follow-up on unreceived promised adjustments and more than 30 calendar days have elapsed since receiving a reply promising the billing or adjustment.

C4.11.7. Lateral Redistributions (In-Storage Visibility For Both Consumables and Repairables). Offices promised credits for lateral redistributions (In-Storage Visibility (ISV) for both consumables and repairables) shall follow up on credits not received within 30 calendar days of the date shipment confirmation is submitted to the ICP/IMM. The initial request must be made by submitting a Request for Billing Adjustment (DLMS 812R, DIC FAE) record citing BAC 27 to the ICP/IMM.

C4.11.8. Other Billing Problems. Billed offices or others will request adjustments for problems not covered by billing advice codes by forwarding a letter (or message) of explanation along with the information required to process the request for BAC 55. The billing office will normally respond with an Adjustment Request (DLMS 812L, DIC FAR or FJR format).

C4.12. PRICE CHALLENGES AND VERIFICATION. [DoD 4140.1-R](#) DoD Supply Chain Materiel Management Regulation, May 23, 2003 prescribes the basic DoD requirements under Service and Agency Price Challenge And Price Verification Programs. Price challenges and verification are often mistaken for MILSBILLS "wrong unit price billed" procedures. Contact IMM/ICP customer service for assistance filing price challenges.

C4.13. DISPUTED RESPONSES TO REQUESTS FOR ADJUSTMENT. Billing and billed offices are expected to resolve their differences regarding adjustment requests. However, when a billed office does not agree with the billing office's response and the billed office considers the amounts involved significant, the billed office may consider the dispute an unresolved problem and follow the procedures prescribed in Chapter 1.

C4.14. ADJUSTMENTS FOR CHANGE NOTICES

C4.14.1. Recording Undelivered Orders. If an order is placed with or through the DWCF, an undelivered order (obligation) should be recorded when the order is placed. A non-stock numbered item should be recorded as an undelivered order when the order is accepted. An adjustment to the undelivered order should be processed when a change notice affecting price, quantity, or an acceptable substitution of a like item is received from the stock fund. Refer to [DoD 7000.14-R](#) Volume 6 for more specific information on the above requirements.

C4.14.2. Customer Not Receiving Change Notice. If a DBOF customer does not receive a change notice at all or in time to cancel or modify the order and additional funds are required, the materiel may be refused or returned to the DBOF and an adjustment requested. Adjustments for this reason shall be forwarded by mail and must be signed by the activity accounting officer. The request must meet the following requirements and will state essentially:

"As a result of a price change, quantity change, or authorized substitution, the value of the materiel received exceeds amounts obligated and all available obligation authority. Request credit for the indicated quantity and items delivered under the following requisition document and suffix number. Please also provide us with the return instructions for the materiel."

C4.14.3. Honoring Requests. The billing office shall honor all such requests and provide adjustment, without regard to dollar value, after the materiel is returned. The ordering activity shall also contact the ICP/IMM to arrange for the return.

C4.15. SECURITY ASSISTANCE DISCREPANCIES AND BILLING ERRORS

C4.15.1. The Military Department may automatically grant adjustments⁸ and charge or credit the administrative surcharge fund when:

C4.15.1.1. The request cannot be rejected per the general conditions of the U.S. Letter of Offer and Acceptance, and

C4.15.1.2. The transaction was billed on a [DD Form 645A](#), Foreign Military Sales Statement.

C4.15.1.3. The amount of the adjustment requested is either (1) less than \$100 or (2) less than the amount approved⁹ for that Military Department by the Defense Security Cooperation Agency.

C4.15.2. Adjustments for IMM/ICP charges that may not be automatically charged to the administrative fund shall be prepared and forwarded to the IMM/ICP in accordance with the procedures contained in this chapter.

C4.16. CREDITS FOR EXCESS REPORTS (MATERIEL RETURNS PROGRAM)

⁸ Automatic adjustments may be withheld from specific customers if there is a pattern of abuse of this authority. When such a pattern exists, all discrepancies and billing errors from that customer should be researched.

⁹ Military Departments may request approval for a different adjustment level. The dollar amounts of automatic adjustments will be determined by an agency cost effectiveness study which compares the administrative cost of conducting necessary research to determine specific responsibility versus the cost which will be incurred by the administrative surcharge pool if an automatic refund is authorized. The agency cost effectiveness study must be submitted to Defense Security Cooperation Agency for review and approval.

C4.16.1. Procedures. Materiel returns program procedures are prescribed by DLMS Volume 2.

C4.16.2. Processing Credits. Billing offices shall process credits for excess reports during the first billing cycle after receiving notification that materiel authorized for return under creditable procedures has been received in a condition warranting credit. The portion of credits for materiel laterally redistributed may be fully or partially reversed by the IMM when a discrepancy report documents that the materiel was not shipped in a condition warranting full credit.

C4.16.3. Materiel Returns Program or Procurement Offset Status Request (In-Storage Visibility For Both Consumables and Repairables). Offices expecting MRP or procurement offset (ISV for both consumables and repairables) shall request credit status using the Follow-up for Materiel Returns Program Credit (DLMS 812R, DIC FTP). The initial request should be prepared when the credit has not been received and more the 30 calendar days have elapsed since the Materiel Receipt Status (DLMS 870M, DIC FTZ), citing a creditable status or the Shipment Status (DLMS 856S, DIC AS6) is received by the IMM/ICP.

C5. CHAPTER 5

INTERFUND BILLING SYSTEM PROCEDURES

C5.1. POLICY

C5.1.1. General. It is DoD policy that DoD customers shall authorize suppliers to use the interfund billing system to reimburse themselves for materiel, hazardous materiel and waste services, and services related to materiel shipments.

C5.1.2. Exclusions

C5.1.2.1. The interfund billing system is not mandatory for use when the involved funds are Military Assistance Grant Aid or where only limited sales occur between the DoD Components.

C5.1.2.2. The interfund billing system may not be used to bill non-DoD customers (e.g., state or local governments, private contractors, individuals, or nonappropriated fund instrumentalities) or for major end items such as complete aircraft, ships, tanks, space vehicles, and missiles.

C5.1.2.3. Except for the General Services Administration (GSA), the Federal Aviation Administration (FAA), and the National Oceanic and Atmospheric Administration (NOAA), non-DoD suppliers may not use the interfund billing system to bill DoD customers.

C5.2. PRINCIPLES OF THE INTERFUND BILLING SYSTEM

C5.2.1. The interfund billing system allows suppliers to reimburse themselves, from appropriations designated by the customer, at the time of billing. The supplier forwards an automated billing to the billed office and reports to the Treasury Department a reimbursement of the supplying funds, with an offsetting charge to the customer's fund.

C5.2.2. Interfund bills are both "bills" and "notices" to a customer that its funds have been charged and the "bill" paid.

C5.2.3. Billed offices shall, upon receipt of the "bill", either accept and record the charge for the complete or partial bill or, when the charge is questionable or erroneous at the detail bill level or in dispute, record the charge into the designated default account for further research. Charges shall remain uncleared pending completion of research and resolution. The Department of the Navy has been granted a waiver as an exception to this procedure. A questionable or erroneous portion of a Navy interfund bill will suspend to the interfund clearing account (treasury account symbol F3885). When the charge is acceptable, but the account disbursed by the billing office is not, the billed office shall accept and record the charge to the proper account. The billed office shall

also follow procedures prescribed by its disbursing officer to correct the account reported to the Treasury Department.

C5.2.4. Only the billing office or Central Accounts Office (CAO) is authorized to adjust or otherwise reverse reimbursements reported to the Treasury Department on behalf of the billing office.

C5.3. PREPARATION OF INTERFUND BILLS

C5.3.1. Interfund bills are made up of one or more detail billing records with the same fund code, and a single summary billing record. The summary billing record represents a summary of the supporting detail billing records.

C5.3.2. Detail billing records in support of interfund bills shall be prepared in accordance with Defense Logistics Management System (DLMS) 810L transaction or Appendix 3 for legacy 80 column card transactions.

C5.4. CENTRAL ACCOUNTS OFFICES

C5.4.1. General. CAOs are Defense Finance and Accounting Service (DFAS) Centers or other federal agencies given the responsibility of reporting on interfund in the Statement of Interfund Transactions to the Treasury Department. Depending upon the customer organization, they may have seller and or buyer CAO responsibilities.

C5.4.2. Seller Central Accounts Offices. DLA Transaction Services forwards copies of interfund summary billing records to seller CAOs. Based upon these records, seller CAOs report seller interfund self-reimbursements and related buyer disbursements to the Treasury Department. Seller CAO interfund bill responsibilities are identified by the service code of the seller DoD Activity Address Code (DoDAAC) described in Table C5.T1.

Table C5.T1. Seller Central Accounts Offices

SELLER DoDAAC BEGINS WITH	SELLER CAO
Numeric	GSA
F	DFAS-CO
M	DFAS-CL
N	DFAS-CL
Other	DFAS-IN

C5.4.3. Buyer Central Accounts Offices. Buyer CAOs are responsible for interfund bill clearance and report, to the Treasury Department, buyer adjustments of the disbursement side of seller reported interfund transactions. Neither buyers nor their CAOs can directly or indirectly adjust the reimbursement side of interfund transactions

reported by seller CAOs. Buyer CAO interfund bill responsibilities are determined by the appropriation disbursed according to Table C5.T2.

Table C5.T2. Buyer Central Accounts Offices

INDEX	TREASURY SYMBOL	LIMIT or SUBHEAD	BUYER CAO
17	All	All	DFAS-CL
21	All	All	DFAS-IN
57	All	All	DFAS-CO
97	NOT 4930	All	DFAS-IN
97	4930	All	DFAS-IN

C5.5. INTERFUND REPORTS

C5.5.1. Billing Office Reports. CAOs shall base interfund reimbursements upon summary billing records received from DLA Transaction Services for interfund bills passing DLMS prescribed DLA Transaction Services edits. Therefore, upon implementation of the revised seller interfund reporting procedures, DLMS no longer requires sellers to forward [DD Form 1400](#), Statement of Interfund Transactions or equivalent reports to their accounts office. However, CAOs may continue to require their reporting activities to submit seller interfund reports for a transition period determined by the accounts office.

C5.5.2. Billed Office Reports. Each billed office shall report (i.e., correct or otherwise clear) interfund disbursements charged to the office in accordance with procedures prescribed by its Service or Agency.

C5.5.3. Department Level Reports. CAOs shall consolidate Department level "Statement of Interfund Transactions" and prepare related reports from interfund reports received from billed offices and summary billing records validated by DLA Transaction Services.

C5.6. STATEMENT OF INTERFUND TRANSACTIONS

C5.6.1. Purpose and Reports Control Symbol. This section prescribes a monthly report on interfund transactions. The DD 1400 "Statement of Interfund Transactions" provides OUSD(C) with a summarized classification of receipts and outlays processed under the interfund billing system.

C5.6.2. Applicability and Scope. The provisions of this section apply to the DoD Components and to their disbursing officers (referred to collectively as "disbursing officers"). It establishes the requirements and procedures for the preparation and submission of interfund transaction reports.

C5.6.3. Report Form. The “Statement of Interfund Transactions” must be prepared monthly and contain totals for each appropriation/limit charged and reimbursed, the reporting period, and identify the reporting office. GSA shall submit an equivalent “Statement of Interfund Transactions.”

C5.6.4. Frequency and Distribution. The “Statement of Interfund Transactions” must be submitted to the OUSD(C) as promptly as possible, but no later than close of business on the 2nd workday of the month immediately following the close of the reporting month.

C5.6.5. Adjustments. In preparing the “Statement of Interfund Transactions,” CAOs or offices designated by the DoD Components or participating Agencies shall convert invalid accounts to the charged agency’s default appropriation as indicated in Appendix 2.2. of this guidance.

C5.6.6. Other Reporting Requirements

C5.6.6.1 Extract of the Statement of Interfund Transactions

C5.6.6.1.1. Each Military Department (and GSA for its equivalent report) must furnish an “extract” of the “Statement of Interfund Transactions” to the DoD Components and other participating Agencies for which it collects or disburses showing the transactions for that Component or Agency. The DoD Components may be identified by their unique suffix/limit codes on department “97” appropriations.

C5.6.6.1.2. Extracts of the “Statement of Interfund Transactions” (and GSA equivalent) that are forwarded to DoD CAOs shall be supported by summary billing records (DLMS 810L/Document Identifier Code (DIC) FS). The summary billing records shall be forwarded electronically to the CAO responsible for clearance. The CAO responsible for clearance is determined by the departmental index of the disbursed appropriation and, in the case of department “97” appropriations, by the DoD Component identification contained in the appropriation’s suffix/limit code. Table C5.T3 identifies the CAO responsible for clearing interfund bills:

Table C5.T3. Department of Defense Central Accounts Offices

<u>CLEARANCE CAO</u>	<u>COMMRI</u>	<u>INDEX</u>	<u>COMPONENT</u> ¹⁰
DFAS-Indianapolis	RUQADVU	97	Other than USAF, USN, USMC, and SDDC limit FD30
		21	All
DFAS-Columbus	RUVEGAA	97	USAF

¹⁰ For purposes of this procedure, the Component Identification for 97X4930 is in the 1st position of the suffix/limit code and is A (USA), N (USN), F (USAF), M (USMC), and 5 (Defense Agencies). For other than 97X4930, the identification is in the 1st two positions and is 01 (USA), 02 (USAF), 04 (USN), and 05 (USMC).

		57	All
DFAS-Cleveland	RUEBJNW	97	USN and USMC
		17	All

C5.6.6.1.3. The extracts should be submitted as soon as possible but no later than 2 workdays after the Statement of Interfund Transactions is submitted to OUSD(C).

C5.6.6.2. Defense Agency Appropriations. A “Statement of Interfund Transactions” summarizing the transactions by appropriation for each Defense Agency must be provided to the Director of Budget and Finance, Washington Headquarters Service, 1155 Defense Pentagon, Washington, DC 20301-1155.

C5.6.7. Hard Copy Report Preparation

C5.6.7.1. General

C5.6.7.1.1. Each interfund report must be completed with the minimum required information.

C5.6.7.1.2. If more than one sheet is used to report transaction amounts, the grand total for each column must be shown on the last page of the statement. Page totals are optional.

C5.6.7.1.3. Each hard copy statement must be signed by the officer under whose direction it was prepared.

C5.6.7.1.4. Negative amounts must be identified by the suffix “CR.”

C5.6.7.2. Columnar Entries

C5.6.7.2.1. Appropriation or Fund /Symbol. Enter the department index number assigned by the Treasury Department as a prefix to that department’s appropriation symbols, fiscal year or other appropriate indicator (e.g., “X” if no year, etc.), treasury account symbol of the appropriation, other fund, or receipt account for which the transaction amounts are being reported. Include any prefix or suffix prescribed by the Treasury Department on the classification authorization. No other suffix or prefix may be shown.

C5.6.7.2.2. Reimbursements (Credits). Enter the amounts of collected appropriation reimbursements applicable to each related appropriation or other fund account.

C5.6.7.2.3. Expenditures (Charges). Enter the amounts of disbursements chargeable to each appropriation or other fund symbol.

C5.7. CENTRAL ACCOUNTS OFFICE LEVEL INTERFUND PROCEDURES

C5.7.1. Army, Navy, Air Force, and GSA shall prescribe procedures consistent with those prescribed in this Manual for:

C5.7.1.1. Reporting interfund reimbursements and disbursements originated by Activities serviced by their disbursing offices and shall be included in their "Statement of Interfund Transactions."

C5.7.1.2. Adjusting, accepting or otherwise clearing interfund disbursements charged to Activities serviced by their disbursing offices and whose adjustments shall be included in their Statements of Interfund Transactions.

C5.7.1.3. Ensuring there are adequate controls over interfund-related transactions such that:

C5.7.1.3.1. Lapsed accounts are not reported to the Treasury Department or the other DoD Components.

C5.7.1.3.2. Invalid account symbols are converted to the agency default appropriation as defined in Appendix 2.2 of this regulation.

C5.7.1.3.3. Seller interfund reimbursements reported to the Treasury Department are based upon interfund billings validated by DLA Transaction Services.

C5.7.1.3.4. Disbursements charged to billed offices are processed by the billed office.

C5.7.1.3.5. Uncleared Disputed Transactions

C5.7.1.3.5.1. Uncleared "disputed" transactions shall be researched and cleared within a reasonable period (i.e., within 120 calendar days of the date the disbursement was reported to DFAS when the entitlement office and accounting office are not co-located and 90 days when they are co-located). Amounts placed in suspense; that is, charged to the clearing account, are transferred to another account or are otherwise cleared within the same period as above.

C5.7.1.3.5.2. Within 90 days of the disbursement being report to DFAS, or 60 days if co-located, DFAS shall ask the customer to follow up on uncleared detail bills. When a customer leaves a detail bill uncharged for 120 calendar days (90 days if co-located), DFAS shall contact the customer for an appropriation to charge to clear the detail bill. Only when a written notification from the seller that an adjustment is forthcoming may the item remain unprocessed after this timeframe. Within 90 days of the suspense date (60 days if co-located), DFAS will ask the customer to clear the amount in suspense and provide an alternative account for the disbursement.

C6. CHAPTER 6

DEFENSE AUTOMATIC ADDRESSING SYSTEM

C6.1. GENERAL. This chapter describes Defense Logistics Management System (DLMS) Finance related procedures and processes for the Defense Automatic Addressing System (DAAS). DLM 4000.25-4, "Defense Automatic Addressing System" provides additional information regarding support furnished by Defense Logistics Agency (DLA) Transaction Services.

C6.2. MILITARY STANDARD BILLING SYSTEM PROCESSING

C6.2.1. Requirement to Route Bills to DAAS

C6.2.1.1. As indicated in Chapter 2, sellers shall route all interfund and automated "G" series noninterfund billing records to DAAS for editing, retention, and further routing to billed offices.

C6.2.1.2. Only interfund bills passing MILSBILLS prescribed edits and routed by DAAS are eligible for reporting to the Treasury Department and interfund reimbursement.

C6.2.1.3. All billing records shall be electronically routed to DAAS.

C6.2.2. Bill Editing

C6.2.2.1. DAAS shall edit and reject any bill that fails any of the following edits:

C6.2.2.1.1. The record count (positions 5-7 of the legacy 80 column card format) of the summary billing record equals the actual count of the supporting detail billing records.

C6.2.2.1.2. The bill-to Department of Defense Activity Address Code (DoDAAC) (positions 30-35) of the summary billing record is a valid DoDAAC, and is authorized for use as a bill-to party in accordance with the DoDAAC authority code, as outlined in DoD 4000.25-M, "Defense Logistics Management System" Volume 6 (DoD Logistics Systems Interoperability Support Services), Chapter 2 – Department of Defense Activity Address Directory. Note that DoDAACs are deleted to prevent requisition transactions from being processed through DLA Transaction Services. Once the delete effective date has passed, the record is physically removed from the master file, and bills with the bill-to authorized in accordance with the DoDAAC authority code will not reject as invalid during this period. After the five year period, deleted DoDAACs are removed from the DLA Transaction Services database, and subsequent bills will reject as invalid DoDAACs.

C6.2.2.1.2.1. The bill-to DoDAAC of the summary billing record is authorized for use as a bill-to party. An unauthorized United States Air Force (USAF) bill-to activity is identified by its structure.

C6.2.2.1.2.1.1. DoDAAC begins with FT or FF indicating a non-appropriated funded activity,

C6.2.2.1.2.1.2. DoDAAC begins with FA or FY, or

C6.2.2.1.2.1.3. The first position of the DoDAAC is an "F", followed by one numeric character in position two, and an alpha character in position three.

C6.2.2.1.3. The amount (positions 65-73) of the summary billing record equals the sum of the amounts (positions 65-73) of the supporting billing records.

C6.2.2.1.4. The bills are identified as interfund and authorized to be billed under interfund procedures.

C6.2.2.1.5. The bill-to is one of the following F numeric or F numeric alpha DoDAACs.

(Numeric) C6.2.2.1.5.1. F (Numeric) (Numeric) (Numeric) (Numeric)

C6.2.2.1.5.2. F (Numeric) (Numeric) (Numeric) (Numeric) (Alpha)

C6.2.2.1.5.3. F (Numeric) (Numeric) (Alpha)

C6.2.2.1.5.4. FA series

C6.2.2.1.5.5. FF series

C6.2.2.1.5.6. FT series.

C6.2.2.2. Rejected bills shall be returned to the originator or originating communications center with a narrative description indicating the reason for rejection.

C6.2.2.2.1. Originators may retrieve any rejected bills within one hour of original submission to DAAS. When appropriate, billing offices shall correct and resubmit rejected bills.

C6.2.2.2.2. Billing offices shall ensure that adjustments for rejected billings are properly recorded in their seller accounting records.

C6.2.2.3. Upon successful completion of the bill edits, DLA Transaction Services shall:

C6.2.2.3.1. Route billings to the billed office by the best available means.

C6.2.2.3.2. Ensure that electronically routed bills are routed to the billing communications routing identifier (COMMRI) code assigned to the billed office DoDAAC.

C6.2.2.3.3. Ensure that non-electronically routed bills are mailed to the clear-text address of the billed DoDAAC identified for billing.

C6.2.2.4. DAAS shall forward images of interfund summary billing records to the seller's Central Accounts Office (CAO).

C6.2.3. Bill Retention. DLA Transaction Services shall retain a copy of non-security assistance bills for two years and security assistance bills for four years after initial routing.

C6.3. BILL COPY RETRIEVAL

C6.3.1. Copies of bills may be retrieved in any of the following ways:

C6.3.1.1. MILSINQ. Images of bills may be retrieved from DAAS through their web-based MILSBILLS Inquiry (MILSINQ) process. See section C6.5.

C6.3.1.2. Retransmission Request. Bills may also be retrieved from DAAS by submitting a Request for Retransmission of Interfund Bill (DLMS 812R/Document Identifier Code (DIC) QB1).

C6.3.1.2.1. DLA Transaction Services shall retransmit a copy of all bills matching the billing office DoDAAC and bill number provided on the request. Although unlikely, it is possible that DLA Transaction Services will find and retrieve a current and prior year bill matching the prescribed retransmission criteria.

C6.3.1.2.2. The retransmission request may also be requested via the Internet as part of the MILSINQ process.

C6.3.1.3. Telephone Request. DLA Transaction Services shall accept telephone requests (937-656-3247 or DSN 986-3247) for copies. Telephone requests are limited to no more than five bills and the service will be terminated if abused.

C6.3.2. Only copies of bills routed by DAAS and within the record retention period may be retrieved through the methods described in C6.3.1 above. However, whenever DAAS does not find a matching bill, it shall create and forward a request for copy of bill (DLMS 812R/DIC FAE billing record, with Billing Advice code 41) to the billing office.

C6.3.2.1. Billing offices failing to respond to requests for copies of interfund bills received within the record retention period shall be directed by their Service or Agency headquarters to reverse the billing. Billed offices shall absorb all charges in the

manner prescribed by their Service or Agency when the record retention period has elapsed and they have failed to obtain copies of the bill(s).

C6.3.2.2. Forward a billing adjustment reply (DLMS 812L, DIC FAR) with Billing Status code DA to advise the requesting office that they have referred their bill retransmission (copy) request to the seller.

C6.4. FUND CODE TABLES. Fund code tables appear on the DLA Logistics Management Standards Website
www.dla.mil/j-6/dlmso/elibrary/manuals/milsbills/ap1.asp#fundcode.

C6.5. MILITARY STANDARD BILLING SYSTEM INQUIRY PROCESS

C6.5.1. General MILSINQ Information

C6.5.1.1. MILSINQ is a process established by DLA Transaction Services to allow its customers to remotely query the DAAS MILSBILLS database as an alternative to the DLMS 812R and DIC QB1 retransmission (send a copy of the bill to me) means of obtaining billing information from DAAS. MILSINQ may also be used for the Military Standard Requisitioning and Issue Procedures (MILSTRIP) materiel obligation validation process.

C6.5.1.2. Bills may be queried by the billing DoDAAC or billed DoDAAC and may be narrowed to a particular billing month or bill.

C6.5.1.3. Once identified, the bills can be viewed, printed, saved to a local PC, or retransmitted (copy sent by DAAS to a designated recipient).

C6.5.1.4. The MILSINQ Website¹¹ is <https://www.transactionservices.dla.mil/milsinq>. Users will generally be logged off systems after 5 minutes of idle time.

C6.6. MILITARY STANDARD BILLING SYSTEM-RELATED REPORTS

C6.6.1. Introduction

C6.6.1.1. As part of its logistics information data services, DAAS accumulates data from MILSBILLS records it routes and generates reports for MILSBILLS use. The reports cover the preceding 12 months.

C6.6.1.2. The following MILSBILLS-related reports are available from <https://www.transactionservices.dla.mil/milsinq>:

C6.6.1.2.1. Interfund billing adjustments by billing office (Routing Identifier Code (RIC) sequence).

¹¹ If the application is not accessible from your browser, contact your local Internet support office for assistance in configuring your telnet application for your browser.

- C6.6.1.2.2. Interfund bills by billed office (DoDAAC sequence).
- C6.6.1.2.3. Interfund bills by billed office (DoDAAC within Service).
- C6.6.1.2.4. Interfund bills by billing office (DoDAAC within Service).
- C6.6.1.2.5. Interfund bills by billing office (RIC sequence).
- C6.6.1.2.6. Interfund bills by route to COMMRI (COMMRI sequence).
- C6.6.1.2.7. Interfund bills rejected by DLA Transaction Services (RIC

sequence).

C6.6.1.2.8. Interfund bill retransmission requests.

C6.6.1.2.9. In-storage Visibility Redistribution (ISVR) credit report
'Lateral Redistribution.'

C6.6.1.2.10. Rejected interfund bills by billed office (Service sequence).

C6.6.1.2.11. Rejected interfund bills by billing office (DoDAAC within
Service).

C6.6.2. Interfund Billing Adjustments By Billing Office Routing Identifier Code

C6.6.2.1. This report provides each billing office RIC with data related to billing adjustment requests and responses. With the exception of DIC QB1, all adjustment requests processed by DAAS during the indicated reporting month and year are included. Figure C6.F1 shows an example of this report.

Figure C6.F1. Interfund Billing Adjustment Example

1		DECEMBER 1999		LIDS REPORT OF BILLING ADJUSTMENTS BY BILLING OFFICE						PAGE 2	
BILLING RI CODE	TOTAL REQUESTS	NUMBER REQUESTS BY BILLING ADVICE CODE				TOTAL REPLIES	NUMBER OF REPLIES BY BILLING STATUS CODE				OTHER
		(13 / 41)	(21/24/25)	(24)	OTHER		(AM / DF)	(CA / DH)	(DD)	(EL / DS)	
FHC	6		6								
FH2	100		97	1	2						
FLB	4		4								
FLG	2		2								
FL2	165		161	11	13						
FPB	6		6								
FPD	12		12								
FPX	2		2								
FP2	104		92	7	4						
F22	2		2								
F TOTAL	567		496	24	47						
GL2	1			1							
GG9	7			5	2						
GG0	42			1	41	41			2		29
GF0	12			4	8	13			7		6
GG0	212				212	204					204
GK0	1				1						
GN0	4			2	2	13			11		2
GN2	2			2							
GP0	6				6						
GS1	1		1			1			1		
GSA	5,509		61	5,221	207	12,909			12,796	22	151
GT0	2				2	2					2
G TOTAL	5,799		62	5,226	461	13,182			12,757	22	404
HH6	44			44							
H TOTAL	44			44							
MA8	179				179						
MAB	27			18	9						
MBB	192			188	4						
MPE	232		2	212	17						
M TOTAL	620		2	419	209						
M32	573		1	104	468	581			20		561

C6.6.2.2. Total number of requests and replies are provided for each billing RIC, with subtotals for each listed RIC series (first position of RIC) and a grand total for the report. Request details include numbers by advice code groupings and reply details include numbers by billing status code groupings.

C6.6.3. Interfund Bills By Billed Office. This report provides each billed office (BILLED DODAAC) with the number of interfund bills (NO. BILLS), the number of detail billing records (NO. DETAILS) that supports the bills, and the value (\$ VALUE) of interfund bills processed by DAAS during the report month. The report provides a page break, a total (SUBTOT) for each service, and a total (TOTAL) for the report. Figure C6.F2 shows an example of this report.

Figure C6.F2. Interfund Bills by Billed Office Example

1DECEMBER 1999 LIDS REPORT OF INTERFUND BILLS BY BILLED OFFICE					PAGE	1
BILLING						
RI CODE	NO. BILLS		NO. DETAILS		\$	VALUE
194213	1		54			3,472.42
-SUBTOT	1		54			3,472.42
1DECEMBER 1999 LIDS REPORT OF INTERFUND BILLS BY BILLED OFFICE					PAGE	2
BILLING						
RI CODE	NO. BILLS		NO. DETAILS		\$	VALUE
CL0KX1	1		16			3,044.67
-SUBTOT	1		16			3,044.67
1DECEMBER 1999 LIDS REPORT OF INTERFUND BILLS BY BILLED OFFICE					PAGE	3
BILLING						
RI CODE	NO. BILLS		NO. DETAILS		\$	VALUE
F03000	20		152			2,318,452.27
F04406	21		100			3,675,259.23
F2570H	9		42			526,524.95
F60700	15		68			1,899,856.28
F72300	14		72			734,389.81
F75800	2		2			567.12
FA2303	50		102			265,392.51
FB2027	9		30	-		20,082.47
FB2029	7		61			12,049.52
FB2037	9		64			13,122.88
FB2039	5		14			7,521.66

C6.6.4. Interfund Bills By Billing Office. This report provides each billing office (BILLING RI CODE) with the number of interfund bills (NO. BILLS), the number of detail billing records (NO. DETAILS) that support the bills, and the value (\$ VALUE) of interfund bills processed by DAAS during the report month. The report provides a page break, a total (SUBTOT) for each Service, and a total (TOTAL) for the report.

C6.6.5. Interfund Bills Rejected By DAAS. This report identifies, in a summarized form for each billing office, the number, value, and reasons why interfund bills were rejected by DLA Transaction Services. Figure C6.F3 shows an example of this report.

Figure C6.F3. Interfund Bills Rejected Example

1		DECEMBER 1999		LIDS REPORT OF INTERFUND BILLS REJECTED BY DAASC				PAGE 1	
BILLING	----	\$ VALUE OF SUMMARY	-----	CC 5-7 NOT EQUAL	-----	CC 30-35 NOT	-----	T O T A L S	----
RI CODE		NOT EQUAL TO DETAILS		TO DETAILS		IN DOD&AF			
		NUMBER	\$ VALUE	NUMBER	\$ VALUE	NUMBER	\$ VALUE	NUMBER	\$ VALUE
AK2						1	10,475.41	1	10,475.41
AX8				3	22,955.67			3	22,955.67
BL6						1	1,492.92	1	1,492.92
B46						2	15,496.86	2	15,496.86
C08						1	76.03	1	76.03
CB6				2	23,312.78	1 -	545.00	3	22,767.78
CK0						1	1,047.23	1	1,047.23
MP8				1	3,822.78			1	3,822.78
N32						3	23,480.00	3	23,480.00
N35						2	9,483.50	2	9,483.50
MB2						19	31,817.94	19	31,817.94
MD2						50 -	56,460.14	50 -	56,460.14
MN2						27	50,116.88	27	50,116.88
MUA						7 -	1,123.53	7 -	1,123.53
MU2						1 -	3,218.42	1 -	3,218.42
N22						10	704.24	10	704.24
PL2						7 -	2,756.33	7 -	2,756.33
PT2						19 -	6,887.27	19 -	6,887.27
39D	1 -	492.10						1 -	492.10
39P						1	831.90	1	831.90
3CA						1	26,347.23	1	26,347.23
- TOT	1 -	492.10	6	50,091.23	154	100,379.45	161	149,378.58	

C6.6.6. Interfund Bill Retransmission Request. This report summarizes the number of interfund bill retransmission requests and outcomes for the requests by billing RIC. Figure C6.F4 shows an example of this report.

Figure C6.F4. Interfund Bill Retransmission Request

1		DECEMBER 1999		LIDS REPORT OF INTERFUND BILL RETRANSMISSION REQUESTS				PAGE 1	
RECIPIENT		TOTAL REQUESTS	# RETRIEVED	# UNWATCHED	# REJECTED				
DODAAC									
US2ANG		3	3						
074LSD		11	11						
081KJK		10	10						
- TOTAL		24	24						
1 DECEMBER 1999 LIDS REPORT OF INTERFUND BILL RETRANSMISSION REQUESTS PAGE 2									
RECIPIENT		TOTAL REQUESTS	# RETRIEVED	# UNWATCHED	# REJECTED				
DODAAC									
F03700		5	5						
F16100		15	15						
F62200		5	5						
F69400		7	7						
F71600		9	9						
F74800		7	7						
F91111		209	209						
F82303		1	1						
- TOTAL		238	238						
- GRAND TOT		262	262						

C6.6.7. Interfund Bills By Route-To COMMRI Code. This report provides a monthly summary of interfund bills by "route-to" COMMRI code for bill route by DAAS,

the number of interfund bills (NO. BILLS), number of detail billing records (NO. DETAILS), and the dollar value of the bills (DOLLAR VALUE) are summarized by Service for each billed-to DoDAAC (BILLED DODAAC) within a communications office to which bills are routed (COMMRI) by DAAS during a month.

C6.6.8. In-storage Visibility Redistribution Credit Report. This is a report of laterally redistributed materiel and ISV procurement offset reimbursements. It shows the number and dollar value of credits for materiel, transportation, packing, crating, and handling by DoDAAC and/or RIC receiving the credit. See Figure C6.F5 for an example of this report.

Figure C6.F5. In-storage Visibility Redistribution Credit Report

ISVR CREDIT REPORT FOR DECEMBER 1999								PAGE 1	
PART A - LATERAL REDISTRIBUTION									
DODAAC	RIC	----- MATERIEL (FM2) -----		----- TRANS (FM2) -----		----- PCH (FM2) -----		----- TOTALS -----	
		L/I	\$ VALUE	L/I	\$ VALUE	L/I	\$ VALUE		
	ANE	0	0.00	36	2,996.14	36	1,393.73	72	4,389.87
	B14	0	0.00	3	658.33	3	541.25	16	1,199.72
	B16	0	0.00	91	1,300.86	91	1,205.22	82	2,506.09
	B17	0	0.00	16	2,486.43	16	3,749.90	26	6,236.33
	B64	0	0.00	7	861.24	6	845.23	13	1,706.57
	TOTAL	0	0.00	100	8,702.05	99	7,735.54	193	16,438.59
0156K6	ANE	2	735.00	0	0.00	0	0.00	2	735.00
	TOTAL	2	735.00	0	0.00	0	0.00	2	735.00
02561Q	ANE	2	328.00	0	0.00	0	0.00	2	328.00
	TOTAL	2	328.00	0	0.00	0	0.00	2	328.00
02163G	B16	5	254.38	0	0.00	0	0.00	5	254.38
02163G	B17	1	12,027.00	0	0.00	0	0.00	1	12,027.00
02163G	B64	7	76,199.00	0	0.00	0	0.00	7	76,199.00
	TOTAL	13	88,480.38	0	0.00	0	0.00	13	88,480.38
02163H	B16	2	586.00	0	0.00	0	0.00	2	586.00
	TOTAL	2	586.00	0	0.00	0	0.00	2	586.00
022N7N	ANE	19	98,280.00	0	0.00	0	0.00	19	98,280.00
022N7N	B14	1	34,072.00	0	0.00	0	0.00	1	34,072.00
022N7N	B16	2	6,720.00	0	0.00	0	0.00	2	6,720.00
	TOTAL	22	139,072.00	0	0.00	0	0.00	22	139,072.00
022N7P	B17	4	46,480.00	0	0.00	0	0.00	4	46,480.00
	TOTAL	4	46,480.00	0	0.00	0	0.00	4	46,480.00
024XC5	ANE	2	2,895.48	0	0.00	0	0.00	2	2,895.48
024XC5	B14	2	1,769.32	0	0.00	0	0.00	2	1,769.32

C6.6.9. Rejected Interfund Bills by Billing Office (Service Sequence). This report provides a listing of interfund bills that failed MILSBILLS prescribed DAAS edits. These bills were returned by DLA Transaction Services to the billing office. The report identifies bills by billing office and identifies the billed DoDAAC, bill number, and dollar value. See Figure C6.F6 for an example of this report.

Figure C6.F6. Rejected Bill by Billing Office

1 DECEMBER 1999 REJECTED INTERFUND BILLS BY BILLING OFFICE						PAGE	6
SERVICE	BILLING OFFICE	BILLED DOD&C	BILL NUMBER		DOLLAR VALUE	BILLING MESSAGE	
	N69117	R52841	Y1258	-	1,677.47		
	N69117	R52841	Y1259	-	11,450.62		
	N69117	R52841	Y1260	-	5,279.92		
	N69117	V21091	Y1455		450.60		
	N69117	V21525	Y1496		16,599.10		
0		TOTAL FS	7	-	1,123.53		
0		SUBTOT	145		45,156.67		
1 DECEMBER 1999 REJECTED INTERFUND BILLS BY BILLING OFFICE						PAGE	7
SERVICE	BILLING OFFICE	BILLED DOD&C	BILL NUMBER		DOLLAR VALUE	BILLING MESSAGE	
DLA	SE0700	B	D0001		26,347.23		
0		TOTAL FS	1		26,347.23		
	SC0303	0K4ELE	9JEMA		831.90		
0		TOTAL FS	1		831.90		
	SC4400	CL0M9K	0R005	-	492.10		
0		TOTAL FS	1	-	492.10		
0		SUBTOT	3		26,687.03		
1 DECEMBER 1999 REJECTED INTERFUND BILLS BY BILLING OFFICE						PAGE	8
SERVICE	BILLING OFFICE	BILLED DOD&C	BILL NUMBER		DOLLAR VALUE	BILLING MESSAGE	
OTHER	476420	N68342	Y6837		1,047.23		
0		TOTAL FS	1		1,047.23		

C6.7. OTHER DEPARTMENT OF DEFENSE ACTIVITY ADDRESS CODES AUTHORIZED INTERFUND

C6.7.1. DLA Transaction Services shall edit service code H requisitions to ensure that interfund procedures are appropriate for the requisitioner. Other DoD Components' requisitions for which interfund billing is appropriate are those in which the requisitioning DoDAAC is identified as authorized interfund billing. See Appendix AP1 for more information.

C6.7.2. If necessary, DLA Transaction Services will change the fund code cited on other DoD Components' requisitions to XP when the H-Series requisitioning DoDAAC is not identified as authorized interfund billing.

C6.7.3. Other DoD Components may add their DoDAAC (to allow for interfund billing) or delete a listed DoDAAC (mandatory noninterfund billing). To request a change, use the comment form on the DLA Logistics Management Standards Website www.dla.mil/j-6/dlms0/About/Comment/comment_form.php.

C7. CHAPTER 7

VERIFICATION OF FUNDS AVAILABILITY WEB CALL FOR REQUISITIONS SUBMITTED VIA INTERNET ORDERING APPLICATIONS

C7.1. IMPLEMENTING FUNDS AVAILABILITY VERIFICATION. Internet ordering applications that accept Military Standard Requisitioning and Issue Procedures (MILSTRIP) requisitions dependent upon interfund billing procedures (e.g., [DoD EMALL](#), General Services Administration (GSA) Advantage/GSA Global) shall implement Defense Logistics Management System (DLMS) procedures for verification of Component funds availability. Components shall establish procedures to process the request for verification of funds availability and ensure subsequent establishment of a financial obligation.

C7.1.1. DoD Components may authorize manual recording of the financial obligation by the customer as a separate action until an automated interface between the ordering application and a Component-sponsored financial system is available.

C7.1.2. Where an interface is not available, external ordering applications shall alert users to comply with their Component-directed financial procedures.

C7.2. FUNDS AVAILABILITY REQUEST. The Verification of Funds Availability Request shall be prepared as a web call for online, real-time processing in the format prescribed at www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4a2.docx.

C7.3. BUSINESS RULES. Business rules for processing the Verification of Funds Availability Request are as follows.¹²

C7.3.1. Ordering applications shall not send requisitions, requisition modifications, and requisition follow-ups to the Source of Supply (SoS) until the funds availability check is completed and positive confirmation is received.

C7.3.2. The Verification of Funds Availability Request shall be forwarded to the Army when the requisition identifies an Army DoDAAC in either the document number or supplemental address.

¹² Under the pilot program, implementation is limited to an interface between DoD EMALL and GSA Advantage/GSA Global and the Army Funds Control Module and the Marine Corps financial application. Additional Component interfaces are projected under future phases. Refer to ADC 328.

C.7.4. FUNDS AVAILABILITY REPLY. The Verification of Funds Availability Reply shall be prepared as a web call for online real-time processing in the format prescribed at www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4a3.docx.

C.7.5. PROCESSING MULTIPLE LINE ITEMS. When multiple line items are included in the customer's "shopping cart," they shall be processed for funds verification as individual requisitions in succession by sequence¹³ described below, thereby allowing funds to be applied appropriately should there be insufficient funds for the entire "cart." The sequence shall be:

C7.5.1. Priority Designator (PD).

C7.5.2. OSD/JCS project codes.

C7.5.3. Special Requirements Code 999 and PD 01-03.

C7.5.4. Special Requirements Code N (NMCS) (PD 01-08).

C7.5.5. Special Requirements Code E (ANMCS) (PD 01-08).

C7.5.6. Special Requirements Code 555 and PD 01-08.

C7.5.7. Required Delivery Date.

C7.6. VERIFICATION OF AVAILABILITY REPLY CODE. The receiving DoD Component shall verify funds availability and provide the applicable reply code.

C7.6.1. Under the following criteria, the requisition shall be considered acceptable for further processing by the Internet ordering application and forwarding to the SoS by citing an alpha Funds Verification (FV) Reply Code.

C7.6.1.1. If funds are available for the bill-to DoDAAC and no error conditions exist, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation established. Cite FV Reply Code A.

C7.6.1.2. If the bill-to DoDAAC is determined under internal Component procedures as not applicable to the funds verification process (e.g., funded by an alternative funding source, which the Component is not able to verify), the requisition shall be authorized for continued processing with no action. Cite FV Reply Code B.

C7.6.1.3. If the bill-to DoDAAC is not identified in the web call due to procedures for third-party billing (bill-to DoDAAC associated with the Fund Code/Signal

¹³ Sequencing rules are based upon those established for demand sequencing under MILSTRIP Chapter 3, paragraph 3.1.2. These rules deviate from demand sequencing to include use of the RDD.

Code C or L)¹⁴, but the requisitioner DoDAAC has funds available and no error condition exists, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation shall be established under the requisitioner's DoDAAC. Cite FV Reply Code C.

C7.6.1.4. If the bill-to DoDAAC is not identified in the web call due to procedures for third-party billing (bill-to DoDAAC associated with the Fund Code/Signal Code C or L), and the funds verification cannot be approved using the requisitioner DoDAAC, but no error condition exists, the requisition shall be authorized for continued processing with no action. Cite FV Reply Code D.

C7.6.1.5. If the unique message identification number (control number) assigned for the web call is a duplicate of a previously processed funds availability request, but funds are available, the requisition shall be authorized for continued processing. Cite Funds Verification (FV) Reply Code E.

C7.6.1.6. Under Component-directed procedures, requisitions may be forwarded for funds verification even where the requisitioner's Component is not responsible for reimbursement to the SoS, e.g., a requisition with an Army requisitioner and a Navy bill-to activity. The requisitioner's Component may choose to obligate funds under the requisitioner DoDAAC as a precaution. The Army has directed that these procedures be employed for Army requisitioners.

C7.6.1.6.1. If the bill-to DoDAAC is identified as another Component, but the requisitioner DoDAAC has funds available, the requisition shall be authorized for continued processing, the funds available balance decremented, and the applicable financial obligation established. Cite FV Reply Code F.

C7.6.1.6.2. If the bill-to DoDAAC is identified as another Component, but the requisitioner DoDAAC does not have funds available, no action shall be taken by the requisitioner's financial application and the requisitioner shall be asked to confirm that correct information is used in the requisition and an obligation has been recorded by the bill-to Component. Cite FV Reply Code G. The customer may choose to continue or abort processing (subject to bill-to activity's funds verification processing, when available).

C7.7. CRITERIA FOR UNACCEPTABLE REQUISITION PROCESSING. Under the following criteria, the requisition shall not be considered acceptable for further processing by the Internet ordering application by citing a numeric Funds Verification (FV) Reply Code.

C7.7.1. If funds are not available for the bill-to DoDAAC, the requisition shall not be authorized for further processing. Cite FV Reply Code 1.

¹⁴ Procedures for verification of third party bill-to DoDAACs are under consideration for a future enhancement.

C7.7.2. If the bill-to DoDAAC is not authorized under Component procedures as a valid bill-to DoDAAC, the requisition shall not be authorized for further processing. Cite FV Reply code 2.

C7.7.3. If the Fund Code is not recognized and acceptable to the billed Component, the requisition shall not be authorized for further processing. Cite FV Reply Code 3.

C7.7.4. If the requisition document number (or document number/suffix) is a duplicate of a previously established obligation, the requisition shall not be authorized for further processing. Cite FV Reply Code 4.

C7.8. REQUISITION MODIFICATIONS. Requisition modifications shall be processed for verification of funds availability to ensure that the original requisition obligation is on file and any applicable changes to fund code or bill-to activity are acceptable. The materiel identification on the modification must match that on the original requisition. The responsible Component shall not reject or establish a new obligation for requisition modifications due to a duplicate document number.

C7.8.1. Where no action is taken due to a previously recorded obligation and there are no error conditions, the requisition modification shall be authorized for further processing. Cite FV Reply Code H.

C7.8.2. Where the materiel identification does not match that of the previously recorded obligation matching on document number, the requisition shall be rejected. Cite FV Reply Code 5.

C7.8.3. If the Component has no identified obligation for the document number (or document number/suffix), process as a new requisition under the above procedures for verification of Component funds availability. Cite the applicable FV reply code. Note: The funds verification process may result in rejecting modifications to requisitions that had previously processed successfully by the SoS. Direct communication with the requisitioning Component's financial office and possibly the SoS may be required to resolve the problem.

C7.9. REQUISITION FOLLOW-UPS. Requisition follow-ups in DLMS 869F, Document Identifier Code (DIC) AT_ format shall be processed for verification of funds availability to ensure that the original requisition obligation is on file. The materiel identification on the follow-up must match the original requisition. The responsible Component shall not reject or establish a new obligation for these follow-ups due to a duplicate document number.

C7.9.1. Where no action is taken due to previously recorded obligation and there are no error conditions, the requisition follow-up shall be authorized for further processing. Cite FV Reply Code H.

C7.9.2. Where the materiel identification does not match that of the previously recorded obligation (matching on document number), the requisition shall be rejected. Cite FV Reply Code 5.

C7.9.3. If the Component has no obligation identified for the document number (or document number/suffix), process as a new requisition under the above procedures for verification of Component funds availability. Cite the applicable FV reply code. Note: The funds verification process may result in rejecting follow-ups to requisitions that had previously processed successfully by the SoS. Direct communication with the requisitioning Component's financial office and possibly the SoS may be required to resolve the problem.

C7.10. REVISION OF REQUISITION CONTENT. Customers receiving a reply code indicating that their requisition is not authorized for further processing shall be provided an opportunity to revise the requisition content. For example, the customer may choose to reduce the extended dollar value by reducing the quantity ordered or correct the bill-to activity DoDAAC or fund code, as applicable. Subsequent to customer update, the Request for Verification Funds Availability shall be re-transmitted.

C7.11. ALTERNATIVES FOR UNTIMELY APPLICATION INTERFACE. When the ordering application is unable to establish a timely interface with the responsible Component application, and the customer awaits the real-time funds availability reply, the ordering application may offer two alternatives:

C7.11.1. Unmonitored Funds Verification. The Verification of Funds Availability Request shall be transmitted without direct feedback to the customer. The ordering application shall re-send the request every 15-30 minutes for up to 3-hours¹⁵ while the requisition is held in a pending status. If the reply is received indicating that the requisition is authorized for further processing, the requisition shall be forwarded to the SoS with no further action.

C7.11.1.1. If the FV Reply Code indicates that the requisition is not approved for further processing, the Internet ordering application shall retain the FV Reply Code for customer queries of requisition status. In addition:

C7.11.1.1.1. If the requisition is rejected using FV Reply Code 1-3, the ordering application shall transmit the requisition to the SoS via DAAS, citing Supply Status CX and the Internet ordering application's Routing Identifier Code (GSA Internet ordering applications shall cite "GSA" and DoD EMALL shall cite "SME") in the DLMS requisition. DAAS shall recognize this as a trigger for preparation of supply status indicating rejection of the requisition. DAAS shall prepare and return to all applicable status recipients the MILSTRIP Supply Status perpetuating the CX status. The Internet

¹⁵ Actual time window for repeated attempts to contact the financial application may vary by Internet application.

ordering application shall be perpetuated by DAAS as the Routing Identifier Code (RIC) From of the Supply Status. DAAS shall not forward the requisition to the SoS.

C7.11.1.1.2 If the requisition is rejected using FV Reply Code 4 (duplicate document number/suffix), the requisition shall not be forwarded.

C7.11.1.1.3 If the requisition is rejected using FV Reply Code 5 (modifier/follow-up with miss-match on materiel identification), the requisition shall not be forwarded.

C7.11.1.2. If no reply is received after repeated attempts, the requisition shall be forwarded to the SoS with no action.

C7.11.2. Hold for Later Processing. The customer may choose to place the order ("shopping cart") in a hold status, and retry later. The ordering application shall not attempt to re-send the request. The order shall be saved for later processing to be initiated by the customer.

C7.12. BATCH ACCEPTANCE. Where the ordering application accepts batch ordering or input via MILSTRIP/DLMS format (e.g., multiple transactions uploaded as a batch, or without real-time direct interaction between the application and the customer, such as via DoD EMALL Manual Order Entry System (MOES)), the ordering application shall process the Verification of Funds Availability Request as described in paragraph C7.11.1. above using unmonitored funds verification procedures.

AP1. APPENDIX 1

~~DEFENSE LOGISTICS MANAGEMENT STANDARDS~~ ~~FINANCE PROCESS REVIEW COMMITTEE MEMBERS~~

~~The membership information is available at: <http://www.dla.mil/j-6/dlmso/Programs/Committees/Finance/financeprc.asp>~~

STAFFING NOTE: Existing DLMS appendix 1 is removed as the URL to the Finance PRC membership is already provided in the body of chapter 1.

FUND CODE TABLES AND RELATED LISTINGS

AP1.1. Fund code to fund account conversion tables are published at www.dla.mil/j-6/dlmso/elibrary/manuals/milsbills/word/016-AP1.01.docx.

The authoritative reference table is published at the Defense Automatic Addressing System (DAAS) Website <https://www.daas.dla.mil/daashome/services.asp>.

AP1.2. Fund code to billed office DoD Activity Address Code (DoDAAC) conversion tables are published at www.dla.mil/j-6/dlmso/certaccess/elibrary/milsbills/017-AP1.02.docx **(Requires CAC or PKI Certificate)**.

The authoritative reference table is published at the DAAS Website <https://www.daas.dla.mil/daashome/services.asp>.

AP1.3. H series DoDAACs authorized to use interfund fund codes are published at www.dla.mil/j-6/dlmso/certaccess/elibrary/milsbills/018-AP1.03.docx **(Requires CAC or PKI Certificate)**.

The authoritative reference table is published at the DAAS Website <https://www.daas.dla.mil/daashome/services.asp>.

AP2. APPENDIX 2

~~VERIFICATION OF FUNDS AVAILABILITY REQUEST~~

STAFFING NOTE: The Verification of Funds Availability Request format is still valid, but is available via the URL provided in chapter 7, rather than published in a separate appendix.

CODES

APPENDIX	TITLE	PAGE
AP2.1	Document Identifier Codes	AP2.1-1
AP2.2	Fund Codes	AP2.2-1
AP2.3	Billing Advice Codes	AP2.3-1
AP2.4	Billing Status Codes	AP2.4-1
AP2.5	Type of Bill Codes	AP2.5-1
AP2.6	Recipient of Billing Status Codes	AP2.6-1
AP2.7	Sales Price Condition Codes	AP2.7-1
AP2.8	GSA Customer Supply Center Codes	AP2.8-1
AP2.9	Information Indicator Codes	AP2.9-1
AP2.10	Signal Codes	AP2.10-1
AP2.11	Other Codes	AP2.11-1

AP2.1. APPENDIX 2.1

DOCUMENT IDENTIFIER CODES

NUMBER OF CHARACTERS: Three

TYPE OF CODE: Alpha or Alpha Numeric

EXPLANATION: Identifies all authorized MILSBILLS transactions. The "H" series (not shown) are the same as the "F" series except for the first position of the code, and are reserved for use during simulated mobilization exercises (see chapter 2). The "G" series codes denote noninterfund billings.

DIC(s)	TITLE
FAE	Request for Adjustment of Non-Fuel Billing
FAF	Follow-up on Request for Adjustment of Non-Fuel Billing
FAR	Reply to Request for Adjustment of Non-Fuel Billing
FAS	Response to Follow-up on Request for Adjustment of Non-Fuel Billing
FA1, GA1	Billing for Issue from Stock (Charge)
FA2, GA2	Billing for Issue from Stock (Credit)
FB1, GB1	Billing for Direct Delivery of Stocked Items (Charge)
FB2, GB2	Billing for Direct Delivery of Stocked Items (Credit)
FCA	Fund Code to Appropriation Update Record
FCB	Fund Code to Billed Office DoDAAC Update Record
FCT	Text Header Record: Fund Code Changes
FC1, GC1	Billing for Decentralized, Noncatalogued, and Nonstocked Items (charge)
FC2, GC2	Billing for Decentralized, Noncatalogued, and Nonstocked Items (Credit)
FDE	Request for Summary Level Billing Adjustment
FDF	Follow-up on Request for Summary Level Billing Adjustment
FDR	Reply to Request for Summary Level Billing Adjustment
FDS	Response to Follow-up on Request for Summary Level Billing Adjustment
FD1, GD1	Materiel Return Program Credit

DIC(s)	TITLE
FD2, GD2	Materiel Return Program Credit (Reversal)
FE3, GE3	Notice of Nonreimbursable Issue
FE4, GE4	Notice of Nonreimbursable Issue (reversal)
FF1, GF1	Billing for DoD Dependent School Supplies (Charge)
FF2, GF2	Billing for DoD Dependent School Supplies (Credit)
FG1, GG1	GSA Customer Supply Center Billing (Charge)
FG2, GG2	GSA Customer Supply Center Billing (Credit)
FJE	Request for Adjustment of Fuel Billing
FJF	Follow-up on Request for Adjustment of Fuel Billing
FJR	Reply to Request for Adjustment of Fuel Billing
FJS	Reply to Follow-up on Request for Adjustment of Fuel Billing
FJ1, GJ1	Billing for Bulk Petroleum (Charge)
FJ2, GJ2	Billing for Bulk Petroleum (Credit)
FK series	Reserved for the use of security assistance (see DoD 7000.14, Volume 15)
FL1, GL1	Retail Loss Allowance - Credit Reversal
FL2, GL2	Retail Loss Allowance - Credit
FN1, GN1	Accessorial and Other Miscellaneous Billings (Charge)
FN2, GN2	Accessorial and Other Miscellaneous Billings (Credit)
FP1, GP1	Billing for Into-Plane Issues (Charge)
FP2, GP2	Billing for Into-Plane Issues (Credit)
FQ1, GQ1	Billing for Transportation (Charge)
FQ2, GQ2	Billing for Transportation (Credit)
FR1, GR1	Billing for Export Transportation (Charge)
FR2, GR2	Billing for Export Transportation (Credit)
FS1, GS1	Summary Billing Record (Net Charge)
FS2, GS2	Summary Billing Record (Net Credit)
FTB	Reply to Follow-up for Materiel Return Program Credit
FTP	Follow-up for Materiel Return Program Credit
FT2	Materiel Receipt Status
FU1, GU1	Progress Payment (Charge)
FU2, GU2	Progress Payment (Recoupment)

DIC(s)	TITLE
FX1, GX1	Trade, Quantity, and Other Allowances (Charge)
FX2, GX2	Trade, Quantity, and Other Allowances (Credit)
QB1	Request for Retransmission of Bill (Copy)

AP2.2. APPENDIX 2.2

FUND CODES

NUMBER OF CHARACTERS: Two

TYPE OF CODE: Alpha or Numeric

AP2.1. Fund codes are two position alpha/numeric codes used in conjunction with Service or Agency Code of the billed office to designate the billing method (interfund or noninterfund). When interfund billing is indicated, the fund code also indicates the fund account to be charged (disbursed) or credited (refunded).

- The fund code to disbursement fund account conversion tables are published online in Part I of the Fund Code Table at: <https://www.daas.dla.mil/daashome/services.asp>
- Only valid appropriations and limits may be associated with fund codes. The undistributed intergovernmental payments account, F3885 may not be associated with fund codes or used on interfund bills.
- When a fund code used in the billing and adjustment process is not found on the fund code to disbursement fund account conversion table the appropriation charged shall be assigned as follows:

<u>Organization (Billed Service Code)</u>	<u>Interfund Default Appropriation</u>
Contractor (C, E, L, Q, U)	Not applicable, noninterfund
Non-DoD (G, Z, HX, Numeric)	Not applicable, noninterfund
Army (A, W)	21*2020
Air Force (D, F)	57*3400
Navy (N, P, R, V)	17*1804
Marine Corps (K, M)	17*1106
Defense Logistics Agency (S, T)	97X4930.5999
Other Defense Agency (H)	Not applicable, noninterfund.

AP2.2. An additional use for the fund code, when the signal code is C or L, is to indicate the DoDAAC of the "bill-to" office. See AP1 for codes.

AP2.3. Requisitions submitted to DoD Activities and the General Services Administration shall always contain a fund code, unless the materiel requested shall be issued without charge. When the materiel shall be issued without charge the signal code (pos. 51) shall be D or M (free issue) and the fund code shall not be significant.

AP2.4. Defense Agencies and others using H series DoDAACs may use fund codes designating interfund billing only if the requisitioning DoDAAC is identified as authorized to use interfund. See AP1 for authorized DoDAACs.

AP2.5. Agency designated Fund Code Coordinators are responsible for maintaining fund codes for their Service or Agency. With the exception of DLA, which has its own coordinator, Defense Finance and Accounting Service (DFAS) maintains fund codes for DoD Organizations and Agencies. Fund code coordinators are identified at www.dla.mil/j-6/dlmsso/elibrary/manuals/milsbills/ap1.asp#fundcode.

AP 2.3. APPENDIX 2.3

BILLING ADVICE CODES

NUMBER OF CHARACTERS: Three

TYPE OF CODE: Numeric

EXPLANATION: Billing advice codes are used in requests for billing adjustment to identify the nature of the request or problem. The first position entry, when present, is significant only to the requesting activity. The second and third position entries listed below convey significant information to the billing office. See chapter 4 for information on the use of the codes.

Code	Description
11	Duplicate billing record received. Request credit.
12	Wrong amount billed. Request credit.
13	Wrong office billed. Request credit and re-billing to correct office.
14	Bill received for materiel requisitioned as nonreimbursable. Materiel not received. Request credit.
15	Bill received for unauthorized accessorial charge. Request credit.
17	Bill received for confirmed canceled requisition. Materiel not received. Request credit.
18	Bill received for back ordered materiel. Materiel not received. Request credit.
19	Incomplete bill. Detail billing records do not support the amount billed. Request credit or corrected bill.
20	Bill received following billing office reply that an adjustment billing could not be rendered. Request credit.
21	TDR (SF 361) submitted over 60 days ago; adjustment bill not received. Request credit.
23	Promised adjustment not received. Request credit.

Code	Description
24	Reply to Product Quality Deficiency Report (SF 368) indicated adjustment authorized. Request refund.
26	Reply to Supply Discrepancy Report (SF 364) indicated adjustment authorized; however, adjustment billing not received. Request credit status.
27	Material laterally redistributed as directed and shipment status (AS6) provided; however, credit billing not received. Request credit status.
34	Requisitioned materiel received. Request billing status.
35	Shipment status received for materiel requisitioned for security assistance. Request billing status.
41	Request copy of billing.
42	Duplicate summary level billing (same bill number). Request credit.
43	Duplicate summary level billing (different bill number). Request credit.
44	Duplicate summary level billing within second billing. Request credit.
51	Unable to process billing under interfund procedures. Request interfund reversal and re-billing under noninterfund procedures.
52	Billed by interfund when requisition or other document specified noninterfund billing. Request interfund reversal and re-billing under noninterfund procedures.
55	Refer to accompanying letter of explanation.
90-99	Reserved for internal use. May not be reflected on any document forwarded outside the activity.

AP2.4. APPENDIX 2.4

BILLING STATUS

NUMBER OF CHARACTERS: Three

TYPE OF CODE: Alphabetic

EXPLANATION: Billing status codes are used in replies to requests for billing adjustment, duplicate billing, or billing status. The first position entry, when present, is significant only to the billing office. The second and third position entries listed below convey significant information to the billed office.

Code Description

“A” SERIES: REQUEST DENIED

AA	Duplicate billing record resulted from receipt of duplicate requisition and resulting duplicate issue.
AB	Billing record reflected correct unit price, quantity, and extended amount.
AC	Billing record was prepared in accordance with requisition, excess report, or request for adjustment.
AD	Either nonreimbursable was not authorized, or if authorized, was not specified in the requisition.
AE	Accessorial charge was authorized, requested, and furnished.
AF	Materiel either was not back ordered or was issued following notification of back order.
AG	Requested adjustment, not related to a discrepancy report, is less than the minimum dollar value prescribed for adjustment.
AH	Prescribed record retention period has elapsed.
AI	Adjustment was issued under bill number shown in pos. 54-58.
AJ	Requisition or excess report did not specify billing under noninterfund procedures.
AK	Copy of bill should be requested from DLA Transaction Services.
AM	Discrepancy report required the return of the discrepant or deficient materiel. Credit cannot be provided until the depot receives the materiel. If the materiel was shipped, initiate shipment tracer.

Code	Description
AO ¹	Request was not received within allowable timeframes.
AP	Cancellation request either was not received or was received but not confirmed.
AR	Reply to discrepancy report did not promise adjustment.
AS	Reply was not furnished indicating that billing could not be rendered.
“C” SERIES: REQUEST GRANTED	
CA	Duplicate, adjustment, or corrected bill shall be issued in the next billing cycle.
“D” SERIES: ADVISORY RESPONSE	
DA	No record of requested bill in DLA Transaction Services files. Request forwarded to billing office.
DC	Materiel was issued on a nonreimbursable basis.
DD	Billing or adjustment was rendered under bill number shown in pos. 54-58.
DF	No record of cited document number or bill number is on file.
DH	Billing or adjustment under the cited document number shall be furnished in the next billing cycle.
DI	Letter of explanation shall follow.
“E” SERIES: REQUEST REJECTED	
EA	Request is incomplete or contains invalid data. Review and resubmit with correct data.
EF	No record of duplicate billing under bill number(s) cited.
EH	No duplicate billing. Duplicate summary billing record was not reported to the Treasury Department.
EI	No record of requisition or shipment. Submit ² a copy of the DD Form 1348-1 , DoD Single Line Item Release/Receipt Document, or equivalent.

¹ The fact that the record retention period has elapsed by the time the discrepancy report is validated or the adjustment request is completed may not be used as a basis for denying or failing to comply with the adjustment request if the request was submitted within prescribed timeframes.

² For fuel shipments provide the following information by letter or message: supply source for product received, contract number for direct deliveries, and if shipped by DFSP, the DoDAAC of the DFSP.

AP2.5. APPENDIX 2.5

TYPE OF BILL CODES

NUMBER OF CHARACTERS:	Two
TYPE OF CODE:	Alphabetic
EXPLANATION:	Types of bill codes are provided, at the option of the billing office, on the detail billing records to indicate to the billed office the purpose of the billing.
Code	Description
AA	Bill for materiel issued, quantity billed is equal to quantity requisitioned.
AB	Bill for materiel issued, quantity billed is less than quantity requisitioned due to partial issue.
AC	Bill for materiel issued, quantity billed is greater or less than quantity requisitioned due to unit pack adjustment.
AR	IMM authorized returns under the Materiel Returns Program.
DB	Bill for the Delta amount (Standard Price minus Exchange Price) (Commonly referred to as "Carcass Charge" within Navy).
DR	IMM directed returns under the Asset Visibility (Procurement Offset) Program.
EP	Bill at Exchange Price (Commonly referred to as "Net Price" within Navy).
HM	Hazardous materiels.
HW	Hazardous waste disposal services.
LR	IMM directed Lateral Redistributions.
QD	Bill to adjust the amount previously billed due to approval of a PQDR.
RB	Credit Bill to reverse a Delta Bill (DB) under Exchange Pricing (Commonly referred to as "Carcass Charge Reversal" within Navy).
SC	Credit Bill for Serviceable Credit under Exchange Pricing (May be Exchange Price or Delta Price for Navy).

Code	Description
TD	Bill to adjust the amount previously billed due to approval of a TDR.
TM	Bill for creditable excess materiel returned, reduced credit allowed for quantity shown.
TN	Bill for creditable excess materiel returned, full credit allowed for quantity shown.
WP	Bill to adjust the amount previously billed due to approval of an SDR.
WR	Bill to adjust amount billed previously, due to warehouse refusal.
WS	Bill to adjust amount billed previously, due to billing error detected by billing office.
WT	Bill to adjust amount billed previously, due to billing error reporting by billed office.
WU	Bill to adjust the amount billed previously, due to approval of discrepancy report. Use until codes QD, WP, and TD are implemented.
WV	Bill to adjust amount billed previously, due to failure to return materiel as directed.

AP2.6. APPENDIX 2.6

RECIPIENT OF BILLING STATUS CODES

NUMBER OF CHARACTERS: One

TYPE OF CODE: Numeric

EXPLANATION: Recipient of Billing Status Codes are used in requests for billing adjustment to convey to the processor or DLA Transaction Services the identity of the activity to receive the billing reply and status.

Code	Description
2	Reply to DoDAAC shown in pos. 30-35
4	Reply to DoDAAC shown in pos. 45-50
9	Reply to DoDAAC designated by pos. 52

AP2.7. APPENDIX 2.7

SALES PRICE CONDITION CODE

NUMBER OF CHARACTERS: One

TYPE OF CODE: Alphabetic

EXPLANATION: Indicates that the indicated standard unit price is not the actual billing unit price used. The actual billing unit price is equal to the billing amount divided by the quantity.

Code	Description
B	Sales price reduced as agreed. The amount billed does not equal the unit price extension (quantity times unit price). The actual amount is equal to a "discounted" unit price (not shown) extension.
X	Used by Navy. When used on DIC FA1, indicates that this is an additional charge for non-return of a Depot Level Repairable carcass. When used on DIC FA2, indicates that this is a reversal of a previous charge for non-return of a Depot Level Repairable carcass.

AP2.8. APPENDIX 2.8

GENERAL SERVICES ADMINISTRATION CUSTOMER SUPPLY CENTER CODES

NUMBER OF CHARACTERS: Two
TYPE OF CODE: Numeric
EXPLANATION: Codes identifying GSA customer supply centers

Code	Location
11	Naval Air Depot, Jacksonville, FL Building 101, Gate #1 Mezzanine #5 Jacksonville, FL 32212
21	Servmart – Quantico, VA 7 Zeilin Road Building #7 MCB Quantico, VA 22134-5109
25	RAF Lakenheath 48 Fighter Wing – Logistics Readiness Squadron RAF Lakenheath, Bldg 1035 Brandon, Great Britain IP27 9PN
26	U.S. Army – Chievres U.S. Army Hangar 3 Base Aeriennne DeEta 7950 Chievres, Belgium
27	U.S. Army – Schinnen U.S. Army Building 73 Nutherweg 60 5365 ER Schinnen, Netherlands
39	U.S. Marine Corps Air Ground Combat Center – 29 Palms GSA Global Supply Store Building 1102 Twenty-nine Palms, CA 92278-8108

Code	Location
41	U.S. Marine Corps Air Station – Iwakuni USMC Servmart #41 GSA Global Supply Building 1007, Bay 701 Misumi-Machi, Iwakuna-Shi Yamaguchi-Ken Prefecture, SW Honshu 740-2005 (JP) MCAS Iwakuni, Japan
43	U.S. Air Base – Misawa Unit 5014, Building 1334 35 Logistics Readiness Squadron \\1-Chrome, Hirahata, Misawa City Aomori-Prefecture, Japan 033-0012 (JP)
44	U.S. Air Base – Kadena GSA Global Supply Mart #44 Unit 5257 Building 792 18 Logistics Readiness Squadron Kadena-Cho, Okinawa-Prefecture, Japan 904-0117 (JP) Kadena AB, Okinawa Japan
46	U.S. Air Base – Yokota GSA Global Supply Mart #46 Unit 5234 Building 924 374 Logistics Readiness Squadron Fussa-City, Tokyo Prefecture, Japan 197-00001 (JP)
48	U.S. Air Base – Osan GSA Global Supply GSA Mustang Mart #48 Unit 2078, BLDG 819, Building 837 51 Logistics Readiness Squadron Song Tan City, (ROK), Korea 459-120 (ROK) Osan AB, Korea
50	U.S. Air Base – Kunsan GSA Global Supply GSA Wolfpack Mart #50 Unit 2025, Building 823 8 Logistics Readiness Squadron Gwangju Cholla-Buk Do, (ROK) Korea 570-150 (KR) Kunsan AB, Korea

Code	Location
53	U.S. Army Garrison – Camp Zama GSA Global Supply Mart #53 Unit 5006, Building 320 Department of Logistics – 17th Supply Area Support Group Soubudai, Zama City Kanagawa-Prefecture Japan 228-0027 (JP)
64	GSA Global Supply Store 450 Golden Gate Avenue San Francisco, CA 94102
65	Servmart – Camp Pendleton, CA Building 2210 Camp Pendleton, CA 92055
71	Marine Corps Base - Camp Butler GSA Global Supply Mart #71 Unit 5001, Building 5969 Chatan-cho, Okinawa-Prefecture 904-0200 (JP) Okinawa Ryukyu, Japan USMC Camp Butler, Okinawa Japan
73	U.S. Marine Corps Base – Camp LeJeune LeJeune First Choice 1606 Fir Street Camp LeJeune, NC 28542-0007
74	U.S. Naval Base Marianas (Not a Walk-in Store) Defense Distribution Center – Guam & Marianas GSA Mart #74 Building 2118 – Receiving Station Sumay Drive Santa Rita, Guam 96915-1000
76	U.S. Army – Baumholder Smith Barracks, Building 8716 Aulenbacher Strasse 55774 Baumholder, Germany
77	U.S. Army Stuttgart Patch Barracks, Building 2317 Katzenbach Strasse 70569 Stuttgart/Vaihingen, Germany

Code	Location
78	U.S. Army Mannheim Spinelli Barracks, Building 1536 Am Aubuckel 68259 Mannheim, Germany
79	U.S. Army – Kaiserslautern Kaiserslautern Industrial Center, Building 2264 Mannheimer Strasse 209 67657 Kaiserslautern, Germany
80	Servmart – Albany, GA Marine Corps Logistics Base 814 Radford Boulevard Warehouse 1330 Albany, GA 31704
81	USMC – Barstow, CA Marine Corps Logistics Base C Street Warehouse 8 Door #22 Shop Stores Barstow, CA 92311-5050
89	GSA Global Supply Store Building 1726 530 Kuntz Avenue Honolulu, HI 96818
92	U.S. Naval Base – Yokosuka (Not a Walk-in Store) GSA Global Supply Mart #92 Fleet Industrial Supply Center - Yokosuka, Building B-52 Honcho 1 Chrome, 1 Ban Kanagawa-Prefecture Yokosuka - shi, Japan 238-001 (JP)
93	U.S. Naval Base – Singapore (Not a Walk-in Store) Fleet and Industrial Supply Ctr – Det Yokosuka GSA Global Supply Mart #93 Singapore CRRC Program Bldg 74 ODE PSA SEMBAWANG Deptford Road Sembawang, Singapore SG
94	GSA Eastern Distribution Center 1900 River Road Burlington, NJ 08016

Code	Location
95	GSA Global Supply Store 5250 Gibson Avenue, Bay 4 Elmendorf AFB, AK 99506-4430
96	GSA Customer Supply Center Building #510 Rough & Ready Island Stockton, CA 95203
98	GSA Global Supply Store Building 2069 Humphreys Road Schofield Barracks, HI 96857

AP2.9. APPENDIX 2.9

INFORMATION INDICATOR CODE

NUMBER OF CHARACTERS: One
TYPE OF CODE: Alpha or numeric
EXPLANATION: This code, located in position 39 of the summary billing record, conveys special information to offices receiving the Interfund bill.

Code	Information Conveyed
H	Hazardous Waste Disposal Services
R	Exact reversal of a previously submitted and erroneous summary billing record
X	Denoted DLA Transaction Services provided copy ¹ of an Interfund bill

¹ DLA Transaction Services routes and retains copies of billing originated at a billing office. Bills retrieved by DLA Transaction Services from their files and retransmitted to an office are copies. Copies may, however, be treated as originals if appropriate.

AP2.10. APPENDIX 2.10

SIGNAL CODE

NUMBER OF CHARACTERS: One
 TYPE OF CODE: Alpha
 EXPLANATION: This code is prescribed by DLM 4000.25-1 and is used to designate the bill-to and ship-to (or ship-from in the case of DIC FT_ and FD_ records) activities. The descriptions shown below are presented in an abbreviated form. Refer to MILSTRIP for additional information.

Code	Bill-To	Ship-To/From
A	Requisitioning/Reporting Activity (pos. 30-35)	Requisitioning/Reporting Activity (pos. 30-35)
B	Supplementary Addressee (pos. 45-50)	Requisitioning/Reporting Activity (pos. 30-35)
C	Addressee designated by the fund code	Requisitioning/Reporting Activity (pos. 30-35)
D	Free issue	Requisitioning/Reporting Activity (pos. 30-35)
J	Requisitioning/Reporting Activity (pos. 30-35)	Supplementary Addressee (pos. 45-50)
K	Supplementary Addressee (pos. 45-50)	Supplementary Addressee (pos. 45-50)
L	Addressee designated by the fund code	Supplementary Addressee (pos. 45-50)
M	Free issue	Supplementary Addressee (pos. 45-50)
W	Reserved for Intra-Service use	Requisitioning/Reporting Activity (pos. 30-35)
X	Reserved for Intra-Service use	Supplementary Addressee (pos. 45-50)

AP2.11. APPENDIX 2.11

OTHER CODES

NUMBER OF CHARACTERS:	Variable
TYPE OF CODE:	Variable
EXPLANATION:	This appendix provides the source and other information for codes used or referred to in this manual which are prescribed by other DoD publications and not republished in this manual.
Code	Authoritative Source
Asset Transaction Status	DLM 4000.25-1
CommRI	ACP 117
Content Indicator	JANAP 128
Delivery Source	DoD 7000.14-R, Chapter 8, Volume 15
DoD Activity Address	DLM 4000.25, Volume 6, Chapter 2
FMS Country	DoD 5105.38-M
Media and Status	DLM 4000.25-1
Mode/Method	Volume I, DoD 4500.32-R
Routing Identifier Code	DLM 4000.25-1
Service/Agency	DLM 4000.25-1
Stock Fund or Non Stock Fund	DoD 7000.14-R, Chapter 8, Volume 15
Transportation Bill	DoD 7000.14-R, Chapter 8, Volume 15
Type of Assistance	DoD 5105.38-M
Unit of Issue ¹	DLM 4000.25-1

¹ Also referred to as the Unit of Measurement Code

AP3. APPENDIX 3

~~VERIFICATION OF FUNDS AVAILABILITY REPLY~~

STAFFING NOTE: The Verification of Funds Availability Reply format is still valid, but is proposed to be available via the URL provided in chapter 7, rather than published in a separate appendix.

AP3. APPENDIX 3

RECORD FORMATS

DIC	TITLE
FAE FAF	Request for Adjustment of Non-Fuel Billing Follow-up on Request for Adjustment of Non-Fuel Billing www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FAE_FAF.docx
FAR FAS	Reply to Request for Adjustment of Non-Fuel Billing Response to Follow-up on Request for Adjustment of Non-Fuel Billing www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FAR_FAS.docx
FA1, GA1 FA2, GA2	Billing for Issue from Stock (Charge) Billing for Issue from Stock (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FA1_FA2_GA1_GA2.docx
FB1, GB1 FB2, GB2	Billing for Direct Delivery of Stocked Items Charge) Billing for Direct Delivery of Stocked Items (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FB1_FB2_GB1_GB2.docx
FCA	Fund Code to Appropriation Update Record www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/20v4_FCA.docx
FCB	Fund Code to Billed Office DoDAAC Update www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FCB.docx
FCT	Text Header Record: Fund Code Related Changes to DLA Transaction Services www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FCT.docx
FC1, GC1 FC2, GC2	Billing for Decentralized, Noncatalogued, and Nonstocked Items (Charge) Billing for Decentralized, Noncatalogued, and Nonstocked Items (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FC1_FC2_GC1_GC2.docx
FDE FDF	Request for Summary Level Billing Adjustment Follow-up on Request for Summary Level Billing Adjustment www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FDE_FDF.docx

DIC	TITLE
FDR	Reply to Request for Summary Level Billing Adjustment
FDS	Response to Follow-up on Request for Summary Level Billing Adjustment www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FDR_FDS.docx
FD1, GD1	Credit for Excess Materiel Return (Reversal)
FD2, GD2	Credit for Excess materiel Return (No Charge) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FD1_FD2_GD1_GD2.docx
FE3, GE3	Notice of Nonreimbursable Issue
FE4, GE4	Notice of Nonreimbursable issue (reversal) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FE3_FE4_GE3_GE4.docx
FF1, GF1	Billing for DoD Dependent School Supplies (Charge)
FF2, GF2	Billing for DoD Dependent School Supplies (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FF1_FF2_GF1_GF2.docx
FG1, GG1	GSA Customer Supply Center Billing (Charge)
FG2, GG2	GSA Customer Supply Center Billing (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FG1_FG2_GG1_GG2.docx
FJE	Request for Adjustment of Fuel Billing
FJF	Follow-up on Request for Adjustment of Fuel Billing www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FJE_FJF.docx
FJR	Reply to Request for Adjustment of Fuel Billing
FJS	Reply to Follow-up on Request for Adjustment of Fuel Billing www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FJR_FJS.docx
FJ1, GJ1	Billing for Bulk Petroleum (Charge)
FJ2, GJ2	Billing for Bulk Petroleum (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FJ1_FJ2_GJ1_GJ2.docx
FL1, GL1	Retail Loss Allowance - Credit Reversal
FL2, GL2	Retail Loss Allowance - Credit www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FL1_FL2_GL1_GL2.docx
FN1, GN1	Accessorial and Other Miscellaneous Billings (Charge)
FN2, GN2	Accessorial and Other Miscellaneous Billings (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FN1_FN2_GN1_GN2.docx
FP1, GP1	Billing for Into-Plane Issues (Charge) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FP1_GP1.docx
FP2, GP2	Billing for Into-Plane Issues (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FP2_GP2.docx
FQ1, GQ1	Billing for Transportation (Charge)
FQ2, GQ2	Billing for Transportation (Credit) www.dla.mil/j-6/dlms/eLibrary/Manuals/DLM/DLMS/v4_FQ1_FQ2_GQ1_GQ2.docx

DIC	TITLE
FR1, GR1 FR2, GR2	Billing for Export Transportation (Charge) Billing for Export Transportation (Credit) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FR1_FR2_GR1_GR2.docx
FS1, GS1 FS2, GS2	Summary Billing Record (Net Charge) Summary Billing Record (Net Credit) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FS1_FS2_GS1_GS2.docx
FTB	Reply to Follow-up for Materiel Return Program Credit www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FTB.docx
FTP	Follow-up for Materiel Return Program Credit www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4 FTP.docx
FU1, GU1 FU2, GU2	Progress Payment (Charge) Progress Payment (Recoupment) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FU1_FU2_GU1_GU2.docx
FW1, GW1 FW2, GW2	Cash Discounts (Charge) Cash Discounts (Credit) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FW1_FW2_GW1_GW2.docx
FX1, GX1 FX2, GX2	Trade, Quantity, and Other Allowances (Charge) Trade, Quantity, and Other Allowances (Credit) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_FX1_FX2_GX1_GX2.docx
QB1	Request for Retransmission of Bill (Copy) www.dla.mil/j-6/dlmso/eLibrary/Manuals/DLM/DLMS/v4_QB1.docx

Description of Enclosure 2 Layout

This enclosure is the table used to compare the equivalent procedures between DOD 4000.25-7-M (MILSBILLS) and DOD 4000.25-M, Volume 5, Finance. The first column assigns each paragraph of MILSBILLS to a cell. The second column reorders DOD 4000.25-M, Volume 5 in order to map content to MILSBILLS.

In assessing how to best merge the procedures of the two manuals, the content of the table was assigned to one of three categories. The content was highlighted with a color to according to the recommended category.

Green highlighted text indicates the final text for the merged chapter and is included in Enclosure 1. A few procedures have a comment in the right margin that sought verification of the procedure from a specific FPRC representative.

Grey highlighted text indicates the text was recommended to be passed over in favor of the equivalent green highlighted text.

Blue highlighted text indicates:

- 1) MILSBILLS text not be merged even though there is no equivalent language in DOD 4000.25-M, Volume 5, Chapter 2,
or
- 2) DOD 4000.25-M, Volume 5 text recommended for deletion as part of PDC 491.
- 3) Questionable text which sought comment from components during PDC 491 staffing.

A comment in the right margin accompanies each blue highlighted text to indicate why the text is highlighted blue.

In addition, **Yellow highlighted, bold, italicized text** indicates changes made since the staffing of PDC 491.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
C2. CHAPTER 2	C2. CHAPTER 2
BILLING PROCEDURES	DLMS BILLING
C2.1. CRITERIA AND ELIGIBILITY FOR BILLING	C2.1. CRITERIA FOR BILLING
C2.1.1. Shipments From Stock. Billing shall be effected on the basis of drop from inventory or performance of services. Exceptions are as follows:	C2.1.1. Shipments from Stock C2.1.2. Billing. Shipments from stock may be billed 7 calendar days after the materiel is dropped from inventory, provided notification of warehouse refusal or other advice of nonavailability is not received. Exceptions are as follows:
C2.1.1.1. Security Assistance. Billings for security assistance shall be effected upon constructive delivery.	C2.1.2.1. Foreign Sales. Billings for foreign military sales (FMS) and other security assistance shipments may be billed after constructive delivery.
C2.1.1.2. Bulk POL. Billings for bulk petroleum, oil, and lubricants (POL) shipments under Mode/Method codes 2, 8, W, and Z shall be effected upon receipt notification, provided that such notification has been received by the billing office within 15 calendar days of the date of delivery; otherwise, billing shall be effected upon notice of shipment or issue.	C2.1.2.2. Petroleum, Oil, and Lubricants (POL). Billings for bulk POL shipments may be billed after notification of receipt or 15 calendar days after the date of shipment or issue, whichever occurs first.
C2.1.1.3. Perishable Subsistence Chill and Freeze Items. Billings for perishable subsistence chill and freeze items shall be effected upon drop from inventory. Billings for fresh fruits and vegetables shall be effected upon receipt of an issue transaction from DLA Troop Support.	C2.1.2.3. Perishable Subsistence. Billings for perishable subsistence chill and freeze items may be billed after the items have been dropped from inventory. Billings for fresh fruits and vegetables may be billed after an issue transaction is received from a Defense Subsistence Office.
C2.1.1.4. Drawdowns.	C2.1.2.4. Draw Downs

Comment [PM1]: Stipulation "may be billed 7 calendar days after" deleted. Use MILSBILLS timeline.

Comment [PM2]: The restriction applying a different billing process for the listed Mode/Methods codes are not carried over into DLMS.
 2 - " GOVERNMENT WATERCRAFT, BARGE, OR LIGHTER"
 8 - "PIPELINE"
 W - "WATER, RIVER, LAKE, COASTAL (COMMERCIAL)"
 Z - "MILITARY SEALIFT COMMAND (MSC) CONTROLLED CONTRACT OR ARRANGED SPACE"

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.1.1.4.1. Materiel requisitioned under authority of Section 506 of the Foreign Assistance Act¹ must not be billed until funds are appropriated, with the exception of Working Capital Fund activities. The determination to use Section 506 does not provide obligation or disbursing authority. Section 506 permits the drawdown of existing DoD stocks subject to an appropriation to be made at a later date to effect reimbursement to the Defense account. Since there is no assurance that reimbursement will be received, the transfers cannot be recorded as accounts receivable. Therefore, issues under Section 506 should be treated as transfers without reimbursement. The transaction should be reversed if appropriations are received to reimburse the appropriate accounts. Should Congress fail to appropriate funds for this purpose, the Defense account must absorb these costs. Section 506 drawdowns of GSA or other non-DoD stock are not authorized.</p>	<p>C2.1.2.4.1. Materiel requisitioned under authority of Section 506 of the Foreign Assistance Act, as amended, that is, when the FMS/Grant Aid (GA) type of assistance code is C, may not be billed until funds are appropriated, with the exception of Working Capital Fund activities. Although Section 506 does not provide obligation or disbursing authority it does permit the draw down of existing DoD stocks subject to an appropriation to be made at a later date. Since there is no assurance that defense accounts will be reimbursed, the transfers cannot be recorded as accounts receivable. Therefore, issues under Section 506 will be treated as transfers without reimbursement. The transfer without reimbursement will be reversed when appropriations are received to reimburse the DoD account for the transfer. Section 506 draw downs of General Services Administration (GSA) or other non-DoD stocks are not authorized.²</p>
<p>C2.1.1.4.2. All requests for Working capital Fund activities (to include transportation), shall include a funding source, allowing DWCF activities to be reimbursed by the military departments without delay. Orders will not be accepted without a funding source. DoD 7000.14-R, Vol. 12, paragraph 230502 and Vol. 11B, paragraph 110106.A.).</p>	<p>C2.1.2.4.2. All requests for Working Capital Fund activities (to include transportation), shall include a funding source, allowing DWCF activities to be reimbursed by the military departments without delay. Orders will not be accepted without a funding source. DoD 7000.14-R, Vol. 12, paragraph 230502 and Vol. 11B, paragraph 110106.A.).</p>

¹ Security assistance requisition with type of assistance code of "C."

² Section 552 of the ~~Security-Foreign~~ Assistance Act of 1961 allows the President ~~may to~~ "direct the draw down" of commodities and services from the inventory and resources of any agency of the United States Government". Under DLMS, except for the use of DoD (Section 506) or any agency (Section 552) assets, draw downs under both sections are identified and treated similarly.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.1.2. Direct Deliveries of Materiel From Contractors. When an inventory manager item is out of stock, does not carried an item, or otherwise request eds direct delivery of materiel from a vendor, the billing shall be effected upon notification of receipt of materiel by the customer or notification of shipment by the vendor. However, issues by Mode/Method codes 2, 8, W, and Z shall be billed based upon the issue transaction if the notification is not received by the inventory manager within 15 calendar days of the date of issue.</p>	<p>C2.1.3. Direct Deliveries of Materiel from Contractors. Materiel shipped directly to customers from DoD vendors may be billed after the customers confirm they have received the materiel or the vendor confirms it has shipped the materiel, whichever occurs first.</p>
<p>C2.1.3. In-Storage Visibility (ISV) Lateral Redistributions. When an Integrated Materiel Manager/Inventory Control Point (IMM/ICP) laterally redistributes materiel, reimbursement to the reporting activity and billing to the requisitioning activity shall be effected upon notification of receipt by the requisitioning activity.</p>	
<p>C2.1.4. ISV Procurement Offset. When materiel is returned to the IMM/ICP to offset or preclude procurement, reimbursement to the returning activity is authorized upon receipt, inspection, and acceptance of materiel as evidenced by the IMM/ICP's generation of a creditable Materiel Receipt Status (DI-code FTZ).</p>	
<p>C2.1.5. Customer Asset Report (MRP) Credits. Materiel Return Program (MRP) credits are authorized upon receiving notification that materiel, authorized for return under creditable procedures, has been received in the offered condition and quantity.</p>	
<p>C2.1.6. Materiel Services. Billings for services related to materiel shipments and returns not included in the materiel price are authorized after the services are rendered.</p>	
<p>C2.2. PREPARATION OF BILLS</p>	<p>C2.2. <u>PREPARATION OF DLMS BILLS</u></p>

Comment [PM3]: The restriction applying a different billing process for the listed Mode/Methods codes are not carried over into DLMS.

Comment [PM4]: Modification to align with the change in policy for reimbursement to now be effected upon notification of receipt by the requisitioning activity.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.1. General. Bills shall be prepared within 30 calendar days of the criteria provided in section C2.2 and must identify each shipment, delivery, service performed, or refund earned.</p>	<p>C2.1.4. Other. Adjustments and credits will be billed within 30 calendar days of the transaction or letter committing the organization to providing the adjustment.</p> <p>C2.2.1.1. Use of DS 810L. Billing offices will prepare DLMS bills using DS to Federal IC 810L, Logistics Bill (http://www.dla.mil/i6/dlmco/eLibrary/TransFormats/140-997.asp).</p> <p>C2.2.1.3. Submission Timeframe. Billing offices will transmit DLMS bills to customers within 14 calendar days of the billing eligibility criteria provided in Section C2.1. Separate billing lines will be prepared for each shipment or delivery and for each accessorial charge supporting the DLMS bill. Refer to Chapter 4 for additional information on interfund reporting procedures.</p>
<p>C2.2.2. Material Billing And Credit Amounts. In general, billings for materiel shall be at the standard price in effect at the time of shipment and credit adjustment (refunds) shall be at the price originally billed. Exceptions are identified in the following subparagraphs. Billings and credits for services or allowances related to materiel shipments shall be processed as prescribed by section C2.5.</p>	
<p>C2.2.2.1. Lateral Redistribution Credits. Reimbursements for materiel laterally redistributed shall be processed at the standard price in effect at the time of shipment. Credits may be fully or partially reversed by the IMM/ICP when a validated discrepancy report documents the materiel was not shipped in a condition or quantity warranting full credit.</p>	

Comment [PM5]: Covered in DLMS merged Chapter 1. Deleted from Chapter 2.

Comment [PM6]: Does not align with MILSBILLS timeframes and injects separate billing lines for each shipment. Deleted.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.2.2.2. ISV Procurement Offset and MRP Credits. Credits shall be processed at the acquisition cost in effect at the time of receipt. Credits may be less if, in the opinion of the IMM/ICP, the materiel received is not in a condition and or quantity to warrant full credit.</p>	
<p>C2.2.2.3. Quality Deficiency Reports. When the original requisition number cannot be identified, the credits shall be at the current standard price.</p>	
	<p><u>C2.17. MATERIEL BILLING AND CREDIT AMOUNTS</u></p>
<p>C2.2.2.4. Materiel Returns to DLA from Industrial Sites under Base Realignment and Closure (BRAC) Retail Storage and Distribution (SS&D)/Inventory Management and Stock Positioning (IMSP), and National Inventory Management Strategy³. A variation of the MRP program is used for processing materiel returns to DLA from selected sites in support of the BRAC SS&D/IMSP and NIMS. Standard MRP DLMS MILSTRIP transactions do not apply. No credit for packaging, crating, handling, or transportation shall be provided.</p>	<p>C2.17.1. Materiel Returns to DLA from Industrial Sites under Base Realignment and Closure (BRAC) Retail Supply, Storage and Distribution (SS&D)/Inventory Management and Stock Positioning (IMSP), and National Inventory Management Strategy (NIMS) Sites⁴. A variation of the MRP Program is used for processing materiel returns to DLA from selected sites in support of the BRAC SS&D/IMSP and NIMS. Standard MRP DLMS/MILSTRIP transactions do not apply. No credit for packing, crating, handling, or transportation shall be provided.</p>

³ DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for PCH&T.

⁴ DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for PCH&T.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.2.2.4.1. Industrial Sites. DLA-managed materiel returned by an industrial customer at BRAC industrial sites will be accepted into DLA inventory regardless of DLA wholesale asset stock position. Credit shall be processed based upon a receipt of the returned materiel corresponding to a sale to Service maintenance (identified by DoDAAC series/internal customer group) for the same materiel and condition which was completed within the 60-day period prior to the date on the return. Credit shall be processed at the full selling price of the item on the original order(s) used as reference, up to 100% credit for return quantity less than or equal to the quantity on the order(s) used a reference. DLMS/MILSBILLS Billing for Issue from Stock (810L/DI FA2) shall be used to provide credit under modified business rules. Credit for any quantity returned over the original amount, in a different condition code than the original sale, or unmatched is subject to DLA ICP stock position using business rules equivalent to the MRP for determining whether to provide credit/credit amount contained in DoD 4140.01-M. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (810L/DI FD2).</p>	<p>C2.17.1.1. Industrial Sties. DLA-managed materiel returned nu an industrial customer at BRAC industrial sites will be accepted into DLA inventory regardless of DLA materiel corresponding to a sale to Service maintenance (identified by DoDAAC series/internal customer group) for the same materiel and condition which was completed within the 60 day period prior to the date on the return. Credit shall be processed at the full selling price of the item on the original order(s) used as reference, up to 100% credit for a return quantity less than or equal to the quantity on the order(s) used as reference. DLMS/MILSBILLS Billing for Issue from Stock (810L/DI FA2) shall be used to provide credit under modified business rules. Credit for any quantity returned over the original amount, in a different condition code than the original sale, or unmatched is subject to DLA ICP stock position using business rules equivalent to the MRP for determining whether to provide credit/credit amount contained in DoD 4140.01-M. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (810L/DI FD2).</p>

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.2.4.2. NIMS Sites. Credit for materiel returns from a NIMS site customer will be processed based upon the return receipt. The DLA ICP shall process the receipt and determine if a sale has occurred for the same materiel, condition code, and customer within a 60-day time frame reflecting the exact same document number as the receipt (return) document. If there is an exact matching sale, the customer shall receive credit equal to the original sale. Credit for any quantity return over the original amount, in different condition code than the original sale, or unmatched is subject to credit/credit amount. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (810L/DI FD2)</p>	<p>C2.17.1.2. NIMS Sites. Credit for materiel returns from a NIMS site customer will be processed based upon the return receipt. The DLA ICP shall process the receipt and determine if a sale has occurred for the same materiel, condition code, and customer within a 60 day time frame reflecting the exact same document number as the receipt (return) document. If there is an exact matching sale, the customer shall receive credit equal to the original sale. Credit for any quantity returned over the original amount, in a different condition code than the original sale, or unmatched is subject to DLA ICP stock position using business rules equivalent to the MRP for determining whether to provide credit/credit amount. The Service's financial system will be notified of any resulting credit via a DLMS/MILSBILLS Materiel Returns Program Credit (810L/DI FD2).</p>
<p>C2.2.3. Method of Billing</p>	<p>C2.17.2. Reserved C2.2.2. Method of Billing</p>
<p>C2.2.3.1. Bills arising from transactions which contain a National Stock Number within the DoD will be collected through the Military Standard Billing System (MILBILLS) interfund billing procedures when supported by the supply and accounting systems. The provider will not accept a MIPR if interfund can be used. Manual billing (i.e., the XP fund code) will not be used unless approved by the Deputy Chief Financial Officer. For intragovernmental interfund disputes, follow the dispute process outlined in Chapter 4.⁵ Billings to DoD offices must be under interfund procedures except as provided below.</p>	<p>C2.2.2.1. Ordering/Reimbursement. Ordering activities will generally authorize providers of goods and related services to use the interfund method of reimbursement for orders processed under DLMS procedures. Notwithstanding the general rule, on a case by case basis, a DoD activity may exercise its right to request a noninterfund invoice.</p>

Comment [PM8]: Delete allowance for requesting a noninterfund invoice.

Comment [PM7]: (11/16/2011) FPRC agreed to adding FMR language which stipulates interfund billing as the standard method.

⁵ From DoD 7000.14-R, Volume 4, Chapter 3 Receivables, Paragraph 030504.B (November 2009)

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.3.2. Billing shall be under noninterfund procedures when:</p>	<p>C2.2.2.2. Noninterfund Reimbursement. A noninterfund method of reimbursement must be used when the bill-to party is either a non-DoD activity or a DoD contractor.</p>
<p>C2.2.3.2.1. The bill-to office is non-DoD (Bill-To Service Code is numeric, G, or Z),</p>	
<p>C2.2.3.2.2. The bill-to office is a DoD contractor (Bill-To Service Code is C, E, HG, L, Q, SD or U),</p>	
<p>C2.2.3.2.3. The bill-to office is DoD (bill-to service code is alpha other than C, E, G, HG, L, Q, SD, U or Z) and the fund code requires noninterfund billing (normally XP fund code),</p>	
<p>C2.2.3.2.4. The bill-to office is another-DoD Component (Bill-To Service Code is H) and the fund code is not identified as a valid fund code,</p>	
<p>C2.2.3.2.5. The bill-to office is Army & Air Force Exchange Service (AAFES) (Bill-To Service Code is H followed by an X),</p>	
<p>C2.2.3.6. DLA Transaction Services will reject bills when they fail any of the edits. See Chapter 6.2 for information about the routing and editing of bills processed through DLA Transaction Services. Rejected bills will be returned to the originating communications center with a narrative description indicating the reason for rejection. Billing offices will correct the rejected bills and resubmit them to the DLA Transaction Services. Billing offices will ensure that all appropriate adjustments for rejected billings and interfund collections are made to seller accounting records.</p>	
<p>C2.2.3.3. Method of Billing Summary. Billing methods are summarized in the table below:</p>	
<p>Table C2.T.1. Method of Billing</p>	

DoD 4000.25-7-M (MILSBILLS)				DoD 4000.25-M, Volume 5, Finance
Condition Number	Billed DoDAAC Begins With:	And Fund Code is:	Then the Billing Method is:	
1	C, E, G, HG, HX, L, Q, SD, U, Z, or numeric	Any	NON INTERFUND	
2	Any Service code	XP or otherwise designates noninterfund	NON INTERFUND	
3	H	Not identified as eligible for interfund billing	NON INTERFUND	
4	Anything other than conditions 1, 2, or 3		INTERFUND	
C2.2.4. Determining Billed Offices				C2.2.3. Determining Bill-To Parties

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.2.4.1. Billed offices shall be assigned in accordance with the signal code cited on the requisition, asset report, etc. When the Signal Code is C or L, the billed office is assigned by converting both positions of the fund code to a billed Department of Defense Activity Address Code (DoDAAC) as described in Appendix 2.</p>	<p>C2.2.3.1. Billed Party. Ordering activities shall identify a billed party DoDAAC for all requisitions or other orders, including nonreimbursable orders.</p> <p>C2.2.3.2. Billed Party Not Identified. Item managers or other providers of goods and services shall reject requisitions or other orders when a valid billed party is not identified. <i>In the event an order comes through without a valid bill-to party, Billing offices will designate the ordering or submitting activity as the bill-to party if, for whatever reason, they are unable to identify a valid billed party. The Service Security Assistance Control Office shall be designated as the bill-to party for unidentifiable security assistance requisitions. The Service control offices are: Army- W25P02, Navy- N65916, and Air Force- FGA2303.</i></p>
<p>C2.2.4.2. The mailing address for noninterfund bills shall be the clear text address prescribed for billing (TAC 3, if assigned; otherwise, TAC 1) in the DoDAAD (DLM 4000.25 Volume 6, C2). The routing for interfund bills shall be based on the billing Communication Routing Identifier (COMM RI).</p>	

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.5. Nonreimbursable Bills. Materiel issued under nonreimbursable procedures must be reported to the billed office using the Notice of Non-Reimbursable Issue (810L/DIC FE_).</p>	<p>C2.2.4. Nonreimbursable Invoices</p> <p>C2.2.4.1. GSA Billings. Except for GSA billings of less than \$1, materiel issued under nonreimbursable procedures shall be included on invoices as no-charge billing lines.</p> <p>C2.2.4.2. Waivers. DoD 7000.14-R, Volume 6 provides that if the amount of billings for any one customer is less than \$500 at the end of a fiscal year quarter, the billing may be waived. However, working capital and Corps of Engineers civil works funds may not waive reimbursement of any amount.</p> <p>C2.2.4.3. Processing without Billing. GSA sometimes, at its discretion, processes requisitions of \$1 or less without billing. Therefore, any DoD Component having such items unbilled 60 calendar days after receipt of materiel may assume that they will not be billed and cancel the obligation accordingly.</p>
<p>C2.2.6. Interfund Bills</p>	
	<p>C2.2.1.2. Use of Interfund. If the bill is paid under interfund procedures, the billing office will report the collection to its servicing finance center on its seller interfund report. A separate interfund bill will be prepared for billings applicable to a bill-to DoD Activity Address Code (DoDAAC) and treasury symbol.</p>
<p>C2.2.6.1. An interfund bill consists of a Summary Billing Record (DS 810L, DI code FS_) and one or more detail billing records but shall not contain more than 495 records in total. Noninterfund records shall not be included on the same bill.</p>	

Comment [PM9]: Request GSA please validate C2.2.4 from DoD 4000.25-M, Volume 5. (11/162011) GSA Confirmed they do bill for material under \$1. Changed from recommending DLMS language to MILSBILLS.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.6.2 Interfund bills are forwarded to DLA Transaction Services electronically for editing and further routing to the offices billed as described in Chapter 6. Only billings routed by DLA Transaction Services shall be eligible for interfund collection as prescribed in Chapter 5.</p>	<p>C2.3. DLMS INTERFUND BILLS. Activities will normally authorize providers of goods and services to use interfund reimbursement procedures. All DLMS interfund bills shall be forwarded to DLA Transaction Services within 3 calendar days of the date the related seller interfund report is forwarded to the finance center. The Defense Logistics Agency Transaction Services (DLA Transaction Services) will route invoices to all parties identified in the invoice.</p>
<p>C2.2.6.3. Separate detail billing records, selected from the Appendix 3 series appendices, shall be prepared for each shipment of delivery supporting the summary billing record.</p>	
<p>C2.2.6.4. The fund code (see Appendix 2) provides procedures for converting fund codes to appropriations charged.</p>	
<p>C2.2.6.5. A separate interfund (or noninterfund) bill shall be prepared:</p>	
<p>C2.2.6.5.1 when the billed office DoDAAC or fund code changes,</p>	
<p>C2.2.6.5.2. when the net amount of the bill (net amount of the detail billing records) equals or exceeds 10 million dollars,</p>	
<p>C2.2.6.5.3. when the number of billing records (summary plus detail billing records) exceed 495 records, or</p>	
<p>C2.2.6.5.4. when there are different Security Cooperation Customer Codes, in the case of security assistance billings, the country code changes.</p>	
<p>C2.2.6.6. The recommended standard for interfund bill numbers is found in the table below:</p>	
<p>Table C2.T2. Standard Interfund Bill Numbers</p>	

Comment [PM10]: Extra stipulations in this section are deleted.

DoD 4000.25-7-M (MILSBILLS)				DoD 4000.25-M, Volume 5, Finance
If the Billing Month Is:	The 1st Position of the Bill Number Will Be:	If the Billing Month Is:	The 1st Position of the Bill Number Will Be:	
January	A or B	July	N or P	
February	C or D	August	Q or R	
March	E or F	September	S or T	
April	G or H	October	U or V	
May	J or K	November	W or X	
June	L or M	December	Y or Z	
The remaining four positions of the bill number will be alpha or numeric (characters A-Z or 0 or 9). The bill number shall be unique within the billing month.				
C2.2.7. Noninterfund Bills				
C2.2.7.1. SF 1080 , Voucher For Transfers Between Appropriations and/or Funds, or other form approved by Treasury, such as GSA Form 789 , Statement, Voucher and Schedule of Withdrawals and Credits, shall be used as the billing document for noninterfund bills.				When an activity is unable to use electronic data interchange (EDI) methods (i.e. DS 810L), they may use the SF 1080 , "Voucher for Transfers between Appropriations and/or Funds," or other form approved by the Treasury Department, such as GSA Form 789 , "Statement, Voucher, and Schedule of Withdrawals and Credits," as the billing document for noninterfund bills.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.2.7.2. An original of the noninterfund billing shall be provided to the office billed. Noninterfund billings will, at a minimum, be supported by the following information⁶: document order number, description of the article or services, delivery or other performance date, quantity, and price. The first two items of information will usually be satisfied by the requisition document number and national stock number. The delivery or performance date is the same as the day of year prescribed for the detail billing record appropriate for the issue or service.</p>	
<p>C2.2.7.3. Billing offices may, at their option and with the customer's concurrence, provide automated support for noninterfund billings using the "G" series billing records. These billing records shall be transmitted electronically to DLA Transaction Services which will pass the records to the billed office by the best means available. Hard copy billing documents are not required.</p>	<p>C2.4. DLMS NONINTERFUND BILLING. When an activity does not authorize the use of interfund reimbursement procedures, DoD providers of goods and services shall use no check reimbursement methods for DoD activities. All DLMS noninterfund bills shall be forwarded to DLA Transaction Services for further routing to all parties identified in the DLMS bill. ...</p>
<p>C2.3. RETENTION OF BILLING RECORDS</p>	
<p>C2.3.1. Billing offices shall maintain records supporting security assistance billings for 6 years and 3 months after the month the billing is forwarded to DLA Transaction Services, or in the case of manually prepared noninterfund bills, mailed to the billed office.</p>	<p>C2.14. RETENTION OF BILLING RECORDS.</p> <p>C2.14.1. Billing offices must have accessibility to security assistance billing records for 2-6 years, 3 months after the month of the billing and other bills for 1 year after the billing month. Billing records include not only a copy of the bill but records supporting the bill as well.</p>
<p>C2.3.2. Adjustment processing activities shall retain necessary billing records for whatever time period required to process adjustment requests submitted within the timeframes prescribed in Chapter 4.</p>	<p>C2.14.2. Adjustment processing activities shall retain accessibility to billing records for whatever time period is required to enable them to process adjustments for requests or validated discrepancy reports when the request or report leading to the adjustment is received within prescribed timeframes.</p>

Comment [PM11]: Request Defense Security Cooperation Agency (DSCA) and Defense Finance and Accounting Service, Security Cooperation Accounting (DFAS SCA) validate the record retention requirements including the proposed additional subsection reflecting FMS billing record retention requirements set forth in 7000.14R, Volume 15, Chapter 6 in subsections 060102, 060104, 060201.N, and 060202. (http://comptroller.defense.gov/fmr/15/15_06.pdf)

Comment [PM12]: Note the difference in retention periods requirements for security assistance billing at billing offices. Request comment on proper retention period for billing offices. (Proposed to be in section C2.3 of merged chapter 2.) (11/16/2011) GSA and DFAS – Columbus follow 6 yrs, 3 mos. for all billing records. (Administrative Instruction #15, Volume 2)

⁶ Though not required, to facilitate the resolution of billing or payment disputes involving noninterfund bills, billing offices should also include electronic contact information on the bill.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
	<p style="text-align: center;">(NEW SUBSECTION)</p> <p>C2.14.3. For security assistance, interfund bills are considered supporting execution documentation required to be maintained by the Implementing Agency in accordance with the DoD 7000.14R, Volume 15, 0602.J.7. General security assistance record retention and Defense Finance and Accounting Service, Security Cooperation Accounting (DFAS SCA) record retention responsibilities are in 7000.14R, Volume 15, Chapter 6.</p>
C2.4. CORRECTION OF ERRONEOUS BILLINGS	C2.12. CORRECTION OF ERRONEOUS BILLINGS
<p>C2.4.1. Billing Forwarded to Customer. When a billing office finds it has issued a bill containing one or more billing lines requiring correction in some way, it shall correct the bill at the billing line level. That is, it shall reverse the erroneous billing line(s), and only such billing line(s), irrespective of dollar amount and include the reversals and corrected billing line(s) in a subsequent bill. The corrections shall be processed as soon as it is practical and shall not await customer requests for adjustments.</p>	<p>C2.12.1. Billing Forwarded To Customer. When a billing office finds it has issued an invoice containing one or more erroneous billing lines it shall correct the erroneous billing line in a later invoice. Normally, billing offices are expected to reverse and reissue only the erroneous billing line, not the entire invoice. The corrections shall be processed as soon as it is practical and shall not await customer requests for adjustments.</p>
<p>C2.4.2. Billing Rejected By DLA Transaction Services. Billings rejected by DLA Transaction Services must be corrected and resubmitted to obtain reimbursement. Corrective procedures shall include the accounting records to maintain the audit trail and the validity of the records. For example, intransit interfund collections and paid accounts receivables related to the rejected bills will have to be reversed.</p>	<p>C2.12.2. Billing Not Forwarded to Customer. When DLA Transaction Services rejects an interfund invoice the billing office shall reverse the interfund collection in its next collar interfund report.</p>

Comment [PM13]: Note differences between MILBILLS and DLMS policy for action after a bill is rejected at DLA transaction Services. Standardizing on the MILSBILLS policy.

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.4.3. Notifications. To minimize the workload on all parties involved, billing offices shall consider and decide whether customers and or their Finance PRC representative should be advised of significant or mass billing errors and their planned corrections. Finance PRC representatives shall apprise the chairman and other PRC members of the situation, normally, via e-mail.</p>	
<p>C2.5. <u>CANCELLATIONS</u>. When an IMM/ICP determines that a requisition has been cancelled, any billings that were generated for that requisition shall be reversed in the first available billing cycle. When the cancellation involves diverting materiel back to stock, the billing must be reversed upon receipt of the materiel. Any charges related to the cancellation that are chargeable to the requisitioner, such as contract termination costs, shall be billed under noninterfund procedures.</p>	<p>C2.13. <u>CANCELLATIONS</u>. When a provider accepts a customer's request to cancel a requisition or other order, any billings generated for that requisition shall be reversed in the next billing cycle. When the cancellation involves diverting materiel back to stock, the billing shall be reversed upon receipt of the materiel. Any charges related to the cancellation, such as contract termination costs, will be billed under noninterfund procedures.</p>
<p>C2.6. <u>ALLOWANCES, ACCESSORIAL AND ADMINISTRATIVE COSTS</u></p>	<p>C2.9. <u>BILLING FOR ACCESSORIAL AND ADMINISTRATIVE COSTS</u></p>
<p>C2.6.1. <u>DoD Shipments</u></p>	
<p>C2.6.1.1. <u>General</u>. DoD 7000.14-R, Volume 11A provides the general DoD policy for billing accessorial and administrative costs. These costs may be billed under interfund or noninterfund procedures. However, to the extent practicable, billings shall be accomplished in the same manner as the materiel or services.</p>	<p>C2.9.1. <u>Purpose</u>. Accessorial and administrative costs may be invoiced using either interfund or noninterfund reimbursement methods. However, in all cases, billing shall be accomplished in the same manner as the materiel. DoD 7000-14-R, Volume 6, provides the DoD policy for billing accessorial and administrative costs.</p> <p>C2.9.2. <u>Normal Charges</u>. Unless otherwise indicated on ordering documents or transactions, accessorial costs incurred for supply items requisitioned by DoD activities shall be charged to the same funds as the materiel.</p>
<p>C2.6.1.2. <u>Retail Loss Allowance</u></p>	

Comment [PM14]: Not to be carried over to DLMS.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.6.1.2.1. DoD 7000.14-R requires working capital fund and other wholesale stock funds to grant a discount for retail losses to retail stock funds based upon net issues after authorized credits or offsets have been applied. These discounts provide funds for losses experienced at the retail working capital fund level.</p>	<p>C2.5. RETAIL LOSS ALLOWANCE. DoD 7000.14-R, volume IIB, requires the DWCF) to grant a discount for retail losses to retail stock funds based upon net issues after authorized credits or offsets have been applied. These discounts are to provide funds for losses experienced at the retail stock fund level. ...</p>
<p>C2.6.1.2.2. Retail loss discounts shall not be granted for sales to commissaries and customers or retail or installation level working capital fund activities. The discount will be included in standard prices as an additional surcharge element. This bill level discount or allowance shall be supported by a Retail Loss Allowance-Credit (DI Code FL2) billing record.</p>	<p>C2.5. RETAIL LOSS ALLOWANCE. ... Retail loss discounts shall not be granted for sales to commissaries and customers of retail or installation level stock fund activities. However, retail loss discounts are authorized for all military clothing items sold to Military Exchanges.</p>
<p>C2.6.1.3. Packing, Crating, Handling, and Transportation</p>	
<p>C2.6.1.3.1. Reimbursements for packing, crating, and handling costs for (a) IMM/ICP directed lateral redistributions, (b) IMM/ICP authorized MRP and sales returns, and (c) IMM/ICP directed procurement offset returns associated with ISV shall be a percent of the materiel credit price. The percentage rate shall be at 3.5 percent for consumable items and at 1 percent for reparable items. Billing offices shall use the Accessorial and Other Miscellaneous Billings (DI code FN) record format to support these billings and reimbursements.</p>	
<p>C2.6.1.3.2. Reimbursements for transportation costs for (a) IMM/ICP directed lateral redistributions, (b) IMM/ICP authorized MRP and sales returns, and (c) IMM/ICP directed procurement offset returns associated with ISV shall be for an amount equal to the IMM/ICP's cost recovery rate for second destination transportation included in the selling price of the materiel and shall be supported by a Billing for Transportation (DI code FG) record format.</p>	

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
C2.6.1.3.3. Billing offices shall use the Accessorial and Other Miscellaneous Billings (DI code FN) or other appropriate record to support billings and reimbursements for other authorized PCH&T, administrative, or accessorial charges.	
C2.6.1.3.4. Reimbursement for packing, crating, handling, and transportation shall not be provided for materiel returns to DLA industrial sites under BRAC SS&D/IMSP, or NIMS sites⁷. Refer to C2.2.2.4.	
C2.6.2. GSA Shipments	
C2.6.2.1. General. GSA shall assess accessorial and administrative costs on shipments to the Department of Defense as indicated in this section.	
C2.6.2.2. Transportation Charges	
C2.6.2.2.1. Paid By GSA. GSA shall pay transportation charges on stock items to:	
C2.6.2.2.1.1. Consignees in the CONUS, and, where scheduled, surface commercial transportation services are available in Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island.	
C2.6.2.2.1.2. A U.S. port of embarkation for overseas destinations not included in subparagraph C2.6.2.2.1.1.	

⁷ **DLA is required to request approval of new procedures supporting BRAC/NIMS allowing full materiel credit for returns regardless of asset position with no credit for PCH&T.**

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.6.2.2.2. Paid By Customer. GSA shall not pay transportation charges for shipments of special order program (nonstock) items, purchased free on board (FOB) origin. GSA will, however, prepay and bill the agency, as a separate item, for:</p>	
<p>C2.6.2.2.2.1. Transportation charges to a CONUS destination or a U.S. Port of Embarkation on items F.O.B. origin.</p>	
<p>C2.6.2.2.2.2. Transportation charges from a CONUS destination or a U.S. Port of Embarkation to consignees in Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the Southeast Peninsula of Alaska, Central Alaska (rail belt), and Kodiak Island.</p>	
<p>C2.6.2.2.2.3. Transportation charges billed under interfund procedures shall be billed using the Accessorial and Other Miscellaneous Billings (DI code FN) record.</p>	
<p>C2.6.2.3. Export Charges</p>	
<p>C2.6.2.3.1. Surcharge shall be assessed at the rate of 10 percent of the value of the materiel ordered and shipped to customers overseas from GSA wholesale distribution centers and vendors when unique DoD marking/packing requires the shipment be physically handled by a GSA export packing facility. The export surcharge shall be billed as follows:</p>	
<p>C2.6.2.3.2. A flat fee of \$5 administrative charge per requisition line shall be assessed for export shipments not physically handled by a GSA export packing facility.</p>	

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.6.2.3.3. The export services performed on shipments for customers overseas may vary by customer locations, commodity, mode of shipment, and other criteria and include: monitoring and expediting delivery to meet required delivery date; over packing and documenting dangerous/hazardous shipments; challenging air eligible shipments; unitizing, consolidating, and palletizing cargo; arranging for seavans to source load cargo and document shipments for delivery to ports of embarkation; and others.</p>	
<p>C2.6.2.3.4. Annually, GSA shall review actual costs to perform export services and, as appropriate, propose changes in the above rate for use throughout each fiscal year. The USD(C) shall be advised sufficiently in advance for appropriate program and budget planning.</p>	
<p>C2.7. BILLING FOR PROGRESS AND ADVANCE PAYMENTS</p>	<p>C2.11. BILLING FOR PROGRESS AND ADVANCE PAYMENTS</p>
<p>C2.7.1. Progress Billings</p>	<p>C2.11.1. Progress Billings</p>
<p>C2.7.1.1. Progress payments may be billed via interfund whenever the order received from the customer specifies that progress billings via interfund are authorized. Interfund billings for progress payments shall use a progress payment billing (DI code FU_) record format. Documentation of the agreement by the customer to allow progress billing via interfund may be used in lieu of a specific provision on each order.</p>	<p>C2.11.1.1. <u>Purpose</u>. Progress payments may be billed via interfund whenever the order received from the customer specifies that progress billings via interfund are authorized. Documentation of the agreement by the customer to allow progress billing via interfund may be used in lieu of a specific provision on each order.</p>
<p>C2.7.1.2. Billings made for progress payments shall be based upon documentary evidence of satisfactory performance and must not exceed the amount of the customer order.</p>	<p>C2.11.1.2. <u>Billing Basis</u>. Billings made for progress payments will be based upon documentary evidence of satisfactory performance and shall not exceed the amount of the customer order.</p>

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.7.1.3. The billing office shall offset bills for deliveries against all outstanding progress billings related to those deliveries. Billing records shall be reported for both the full value of the shipment (i.e., Billing for Issue from Stock (DI code FA1)) and the amount of the progress billing being liquidated. The billing method elected for the progress payment must also be the method used to bill for delivery.</p>	<p>C2.11.1.3. Offsets. The billing office shall offset billing lines for deliveries against all outstanding progress billings related to those deliveries. Billing lines shall be reported for both the sales price of the shipment and the amount of the progress billing being liquidated. The billing method elected for the progress payment will also be the method used to invoice for the delivery.</p>
<p>C2.7.1.4. Although multiple progress bills may have been submitted against an order, a single recoupment billing record may be reported for the total amount of the progress billings.</p>	<p>C2.11.1.4. Multiple Progress Billings. Although multiple progress billings may have been submitted against an order, a single recoupment billing may be reported for the total amount of the progress billings.</p>
<p>C2.7.2. Advance Billing. Advance billings may not be billed via interfund. When authorized, advance funding shall be satisfied via noninterfund and by use of appropriation level, rather than project or order level advances.</p>	<p>C2.11.2. Advance Billings</p> <p>C2.11.2.1. Applicability. Advance billings may not be billed via interfund. When authorized, advance funding will be satisfied via noninterfund and by the use of appropriation level, rather than project or order level, advances.</p> <p>C2.11.2.2. Application of Advances. Advances received must be returned or applied to accounts receivable before the end of the fiscal year.</p>
<p>C2.8. INTO-PLANE FUEL SALES</p>	<p>C2.6. INTO-PLANE</p>
<p>C2.8.1. These procedures apply to DoD into-plane issues (sales) of fuels to DoD aircraft.</p>	<p>C2.6.1. Applicability. These procedures apply to DoD into-plane issues (sales) of fuels to DoD aircraft except when other billing procedures are specified by the terms of an inter-Service support agreement.</p>

Comment [PM15]: Request DLA please validate procedures C2.6 from DoD 4000.25-M, Volume 5 and C2.8.4 from MILSBILLS with DLA Energy. (Proposed to be section C2.8 of merged chapter 2.)

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.8.2. Reimbursable issues (sales) of fuel into DoD planes by DoD activities shall be billed at the standard price in effect at the time of issue. Contractor into-plane fuel issue shall be billed at the standard price applicable to each such issue.</p>	<p>C2.6.2. Reimbursable Issues. Reimbursable issues (sales) of fuel into DoD planes by DoD activities shall be billed at the standard price in effect at the time of issue.</p> <p>C2.6.3. Contractor Fuel Issues. Contractor into-plane fuel issues shall be billed at the standard price applicable to each such issue.</p>
<p>C2.8.3. Billing offices must grant credit for DoD aircraft defueling based on supply defueling slips at Defense Working Capital Fund (DWCF) prices. Credits shall be given for contractor into-plane defueling DoD aircraft based on a defueling slip at the standard price given for each defueling.</p>	<p>C2.6.4. DWCF Billing. DWCF Billing offices funded by the DWCF will grant credit for DoD aircraft defueling based on supply defueling slips at DWCF prices.</p> <p>C2.6.5. Credits. Credits shall be given for contractor into-plane defueling of DoD aircraft based on a defueling slip at the standard price given for each defueling.</p>
<p>C2.8.4. Into-plane fuel bills shall use the Billing for Into-Plane Issues (DI-code FP) record format.</p>	
<p>C2.9. HAZARDOUS WASTE AND MATERIELS DISPOSAL SERVICES</p>	<p>C2.10. HAZARDOUS MATERIEL AND WASTE BILLINGS. Users of DLA's hazardous materiel and waste disposal services shall provide DLA with a disposal turn-in document (DD Form 1348-1A, "Issue Releases/Receipt Document," or 1348-2, "Issue Release/Receipt Document with Address Label") as prescribed by DLM 4000.25. Since these services are provided on a reimbursable basis, the order will be funded in accordance with the standards prescribed by DoD 7000.14-R. The order will generally authorize DLA to use the interfund billing system to reimburse themselves for these services.</p>
<p>C2.9.1 General⁸</p>	

Comment [PM16]: Request DLA please validate C2.10 from DoD 4000.25-M, Volume 5 and C2.9 from MILSBILLS with DLA Disposition Services. (Proposed to be section C2.9 of merged chapter 2.) (11/16/2011) Asked Disposition Services to review, otherwise accept as presented in PDC 491.

⁸ The "background" information in this subsection is provided to assist financial personnel in understanding their responsibilities with regard to hazardous waste and materiel disposal services. Any conflicts between information contained in this subsection and procedures prescribed by MILSTRIP or DoD 4160.21-M will be resolved by following MILSTRIP.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.9.1.1. General policies and procedures governing hazardous materials and waste disposal within the Department of Defense are prescribed by DoD 4160.21-M. DLA Disposition Services (formerly the Defense Reutilization and Marketing Service) is authorized to bill for these services under interfund billing procedures and shall use the Billing For Decentralized, Noncatalogued, and Nonstocked Items (DI code FC) billing record.</p>	
<p>C2.9.1.2. When generators requestors of services want to dispose of hazardous waste and materials, they shall follow the procedures in DoD 4160.21-M and Chapters 3 and 5 of DLM 4000.25-1. These procedures require preparation of a disposal turn-in document (DTID) in accordance with instructions prescribed by MILSTRIP⁹ and provide it to the DLA Disposition Services Field Office (formerly Defense Reutilization and Marketing Office (DRMO)). The DLA Disposition Services Field Office shall provide the generator with a receipt copy of the DTID at the time of turn-in.</p>	
<p>C2.9.2. Hazardous Waste Disposal</p>	
<p>C2.9.2.1. Hazardous waste disposal services are provided on a reimbursable basis and generators must, therefore, contact their servicing finance office to ensure that funds are obligated for these services. Prior to actual turn-in and disposal, the cost of hazardous waste disposal services may be estimated by referring to the contract governing the materiel being disposed of. The estimated cost of the disposal must be obligated under the DTID number. Contact the DLA Disposition Services Field Office for assistance in estimating the cost.</p>	

⁹ Appendix 3.49 Transfers To DLA Disposition Services Field Office on [DD Form 1348-1a](#) Issue Release/Receipt Document, or [DD Form 1348-2](#), Issue Release/Receipt Documents With Address Label.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C.2.9.2.2. The DLA Disposition Services Field Office shall provide the generator with copies of the disposal manifest (DD Form 1155) and any modifications as the disposal request is executed and modifications are agreed to. The DLA Disposition Services Field Office shall also provide the generator with a certified copy of disposal for each DTID. Generators must advise their servicing finance office when estimated amounts obligated at the time of turn-in or execution are less than actual amounts indicated on these documents.</p>	
<p>C.2.9.2.3. Establishing an obligation for the proper amount under the DTID document number is essential for the timely and automated processing of interfund charges. Failure to do so is a violation of financial management procedures and shall delay updating generator accounts and increase workload on both DFAS and generator personnel.</p>	
<p>C2.9.3. Hazardous Materiel Disposal</p>	
<p>C.2.9.3.1. Unlike hazardous waste, disposal of hazardous materials may not result in any charges to the generator. Therefore, unless you are certain you will incur disposal charges, generators should not obligate turn-ins of hazardous materials. After receipt of the hazardous materials DTID, the DLA Disposition Services Field Office must advise the generator if disposal costs that are the responsibility of the generator will be incurred. The following determines whether or not the generator shall be charged for disposal of hazardous materials.</p>	
<p>C.2.9.3.2. There shall be no disposal costs charged to the generator if the DLA Disposition Services Field Office can dispose of the hazardous materiel through an existing contract or believes the materiel can be reutilized, transferred, donated or sold.</p>	
<p>C.2.9.3.2.1. DLA Disposition Services Field Offices shall provide the generator with a monthly Disposal Funding Status Report of the DTIDs that were successfully reutilized.</p>	

DoD 4000.25-7-M (MILSBILLS)	DoD 4000.25-M, Volume 5, Finance
<p>C2.9.3.2.2. Generators who have open hazardous materiel disposals in process shall contact the DLA Disposition Services Field Office if they fail to receive a monthly Disposal Funding Status Report.</p>	
<p>C2.9.4. When the preceding condition does not apply, the hazardous materiel becomes hazardous waste, the disposal shall be done on a reimbursable basis, and hazardous waste disposal procedures apply. Funding for this hazardous waste disposal must be provided to the DLA Disposition Services Field Office within 5 workdays of notification. The DLA Disposition Services Field Office must not proceed with the disposal of the now classified hazardous waste until funding is confirmed by the generator.</p>	
	<p>C2.8. OPTIONAL BILLING PROCEDURE: FRESH FRUITS AND VEGETABLES (FF&V)</p> <p>C2.8.1. Summarizing Defense Logistics Agency (DLA) Billing. DoD Components and participating Agencies may elect to have DLA Troop Support's Defense Personnel Support Center summarize billings for fresh fruit and vegetables (FF&V). The option is available on a DoD Component or Agency wide basis only. Currently, only the Air Force has elected this billing option.</p> <p>C2.8.2. Optional FF&V. Under the optional FF&V billing procedure, DLA will summarize onto a single billing line all FF&V issues to a Service or Agency. The billings will be summarized by requisition month and fiscal year. These summarized billings will be forwarded to a pre-designated central office in that DoD Component. DLA shall provide supporting detail issue data on request.</p>
<p>C2.10. GSA UNIQUE BILLINGS</p>	
<p>C2.10.1. Automotive Vehicles</p>	

Comment [PM17]: Request DLA please validate C2.8 from DoD 4000.25-M, Volume 5 DLA Troop Support. NOTE: Karen Opie-Toler has already begun research. (Proposed to be section C2.10 of merged chapter 2.)

Comment [PM18]: DLMS Staffing Note: This deletion reflects information provided by DLA Finance specifying that this option for FF&V is no longer used and can be removed.

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.10.1.1. GSA is authorized to use the interfund billing system to bill DoD activities for automotive vehicles purchased under a category one (reimbursable) military interdepartmental purchase request (MIPR). DoD activities submitting MIPRs must do so in accordance with paragraph 8.7008 of the DoD Supplement to the Federal Acquisition Regulation (reference (r)), which requires activities to provide MILSTRIP requisition data for each line item to be delivered to each ship-to address.</p>	<p>C2.7. AUTOMOTIVE VEHICLES. GSA is authorized to use the interfund billing system to invoice DoD activities for automotive vehicles purchased under a category one (reimbursable) Military Interdepartmental Procurement Requests (MIPR). DoD activities submitting MIPRs must do so in accordance with paragraph 8.7008 of the DoD Supplement to the Federal Acquisition Regulation which requires activities to provide DLMS requisition data for each line-item which is to be delivered to each ship-to address.</p>
<p>C2.10.1.2. For purposes of identifying and validating charges, GSA shall support interfund billings for automotive vehicles with a single line item billing register. The register must show, in addition to the information shown on the billing record, the last five digits of the full MIPR number under the columns headed "STOCK NUMBERDIST CD PROJ CD"</p>	
<p>C2.10.2. GSA Customer Supply Center Billing Procedures</p>	
<p>C2.10.2.1. GSA bills DoD customers for Customer Supply Center (CSC) billings using either a customer provided MILSTRIP document number or a constructed pseudo-document number. The document number is constructed from the ordering DoDAAC of the customer provided at the time the account was opened, the Julian day the order was placed, and the last four positions of the ticket number. GSA shall treat all line items requisitioned as a single order, with or without multiple line items, and bill for the order under the constructed document number if the customer doesn't provide a MILSTRIP document.</p>	
<p>C2.10.2.2. GSA CSC interfund bills shall be supported by the GSA CSC Billing (DLMS 810L/DIC FG_) record.</p>	

Comment [PM19]: Request GSA please validate C2.10.1.2. and C2.12.2. MILSBILLS procedures. (Proposed to be section C2.11 of merged chapter 2.) (11/16/2011) Edits applied as shown.

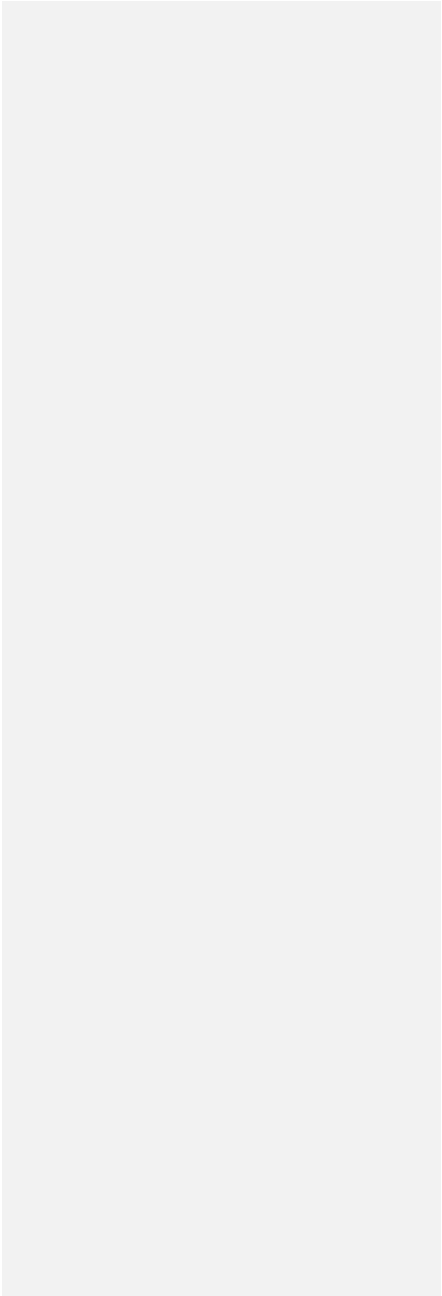
<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.10.2.3. Noninterfund bills shall be supported by the Single Line Item Billing Register. The register must include the customer provided MILSTRIP document number in the stock number field.</p>	
<p>C2.10.2.4. GSA also offers its customers the option of having its CSC billings billed to a Government purchase card. Activities having difficulties with interfund or SF 1080 billings of CSC supplies may want to use this option.</p>	
<p><u>C2.11. ARMY EXCHANGE PRICING PROCESS.</u></p>	<p><u>C2.15. ARMY EXCHANGE PRICING PROCESS</u></p>
<p><i>C2.11.1. The Army approach to the Exchange Pricing (EP) interim approach is a multi system functionality implementation. EP employs a dual pricing system for repairable National Stock Numbered items based upon Standard Price (latest acquisition cost plus recovery rate) and EP (latest repair cost plus cost recovery rate) and a “buy one – return one” relationship with the customer. That is, a qualified exchange pricing customer buys at the EP and pays a penalty if a reparable is not turned-in within a specified period of time from the issue date. This process is applicable to the Army customers and Army-managed material only; other Services will continue to pay Standard Price and receive 65% credit exchange upon receipt of carcass by the Army PICA.</i></p>	<p><i>C2.15.1. The Army approach to the Exchange Pricing (EP) interim approach is a multi-system functionality implementation. EP employs a dual pricing system for a repairable National Stock Numbered item based upon Standard Price (latest acquisition cost plus recovery rate) and EP (latest repair cost plus cost recovery rate) and a “buy one – return one” relationship with the customer. That is, a qualified exchange pricing customer buys at the EP and pays a penalty if a reparable is not turned-in within a specified period of time from the issue date. This process is applicable to the Army customers and Army-managed materiel only; other Services will continue to pay Standard Price and receive 65% credit exchange upon receipt of carcass by the Army PICA.</i></p>
<p><i>C2.11.2. Once an item of supply is identified for a national repair program and the National Item Identification Number has an established Exchange Price, all requisitions for the items will be priced at the Exchange Price if the customer is an authorized EP customer.</i></p>	<p><i>C2.15.2. Once an item of supply is identified for a national repair program and the National Item Identification Number has an established Exchange Price, all requisitions for the items will be priced at the Exchange Price if the customer is an authorized EP customer.</i></p>

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p><i>C2.11.3. When a requisition submitted to the Supply Support Activity (SSA) is processed by the Standard Army Retail Supply System (SARSS), SARSS will determine if the customer DoDAAC is an EP customer and the NIIN has an established EP indicator. As this transaction is processed through the Army supply system, middleware, Funds Control Module (including EP Tracking) Defense Automatic Addressing System (DAAS), Commodity Control Supply System (CCSS), and Army Logistics Modernization Program (LMP), the EP indicator will be used to identify the transaction as EP related. All the legacy systems will continue processing the MILS transactions, LMP will process Defense Logistics Management System (DLMS) transactions that are converted by DLA Transaction Services.</i></p>	<p><i>C2.15.3. When a requisition submitted to the Supply Support Activity (SSA) is processed by the Standard Army Retail Supply System (SARSS), SARSS will determine if both the customer DoDAAC is an EP customer, and the NIIN has an established EP indicator. As this transaction is processed through the Army supply system, middleware, Funds Control Module (including EP Tracking) Defense Automatic Addressing System (DAAS), Commodity Control Supply System (CCSS), and Army Logistics Modernization Program (LMP), the EP indicator will be used to identify the transaction as EP related. All the legacy systems will continue processing the MILS transactions, LMP will process DLMS transactions that are converted by DLA Transaction Services.</i></p>
<p><i>C2.11.4. All related supply transactions prepared by the Army will carry and perpetuate the EP Indicator. As a result of the EP implementation the following transactions will be impacted: Requisition; Requisition Modifier; Requisition Follow-up; Materiel Release Order; and Supply Status. The returns process will also process EP related transactions. The Materiel Receipt transaction will be generated by SARSS for all returns of EP NIINs, and will include an EP Type of Credit indicator for Unserviceable credit when applicable, as well as an EP Conversion Indicator to identify the need to provide credit according to the pre-EP credit policy, which will last for 60 calendar days following the implementation of EP.</i></p>	<p><i>C2.15.4. All related supply transactions prepared by the Army will carry and perpetuate the EP Indicator. As a result of the EP implementation the following transactions will be impacted: Requisition; Requisition Modifier; Requisition Follow-up; Materiel Release Order; and Supply Status. The returns process will also process EP related transactions. The Materiel Receipt transaction will be generated by SARSS for all returns of EP NIINs, and will include an EP Type of Credit indicator for Unserviceable credit when applicable, as well as an EP Conversion Indicator to identify the need to provide credit according to the pre-EP credit policy, which will last for 60 calendar days following the implementation of EP.</i></p>

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p>C2.11.5. <i>If the return is in an un-repairable condition code or the item is not returned within the established timeframe (Delta Delay Days), the National Level systems (i.e. LMP, CCSS) will create an obligation adjustment based on the receipt from Middleware Funds Control Module of a Materiel Returns Supply Status (Delta Bill Trigger) transaction. As a result of processing the delta bill trigger the national systems will create the logistics/interfund bill transaction with an EP Indicator and Type Bill code to identify the specific type of EP bill to the Army financial system.</i></p>	<p>C2.15.5. <i>If the return is in an un-repairable condition code or the item is not returned within the established timeframe (Delta Delay Days), the National Level systems (LMP, CCSS) will create an obligation adjustment based on the receipt from Middleware Funds Control Module of a Materiel Returns Supply Status (Delta Bill Trigger) transaction. As a result of processing the delta bill trigger the national systems will create the logistics/interfund bill transaction with an EP Indicator and Type Bill code to identify the specific type of EP bill to the Army financial system.</i></p>
<p>C2.12. <u>NAVY EXCHANGE PRICING PROCESS.</u></p>	<p>C2.16. <u>NAVY EXCHANGE PRICING PROCESS.</u></p>
<p>C2.12.1. <i>Navy uses a two-tier pricing system for selling Depot Level Repairable material to Navy customers. The Navy sells DLRs to other Services at full (standard) price and then provides carcass value credit when the carcass is returned. This is the same method the Air Force and Army use when selling repairable items to the Navy. The Standard Price is the price representing the full value of the DLR item, and is price charged when a Not Ready For Issue (NRFI) unit (also referred to as a 'Carcass') is not turned in. The Net Price (also referred to as Exchange Price) is the price that represents the cost of repairing a DLR item, and is the price charged to customers when a NRFI unit has been or will be turned in. Navy customers indicate on their requisitions whether or not a NRFI unit is available for turn in via the Advice Code, and they are then charged Net or Standard Price accordingly.</i></p>	<p>C2.16.1. <i>Navy uses a two-tier pricing system for selling Depot Level Repairable (DLR) material to Navy customers. The Navy sells DLRs to other Services at full (standard) price and then provides carcass value credit when the carcass is returned. This is the same method the Air Force and Army use when selling repairable items to the Navy. The Standard Price is the price representing the full value of the DLR item, and is price charged when a Not Ready For Issue (NRFI) unit (also referred to as a 'Carcass') is not turned in. The Net Price (also referred to as Exchange Price) is the price that represents the cost of repairing a DLR item, and is the price charged to customers when a NRFI unit has been or will be turned in. Navy customers indicate on their requisitions whether or not a NRFI unit is available for turn in via the Advice Code, and they are then charged Net or Standard Price accordingly.</i></p>

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
<p><i>C2.12.2. Requisitions received indicating that a carcass will be returned are tracked in the Navy's Carcass Tracking System. This system monitors these requisitions and matches them with carcass returns as they occur. This system also generates follow ups to customers who have not returned their carcasses as promised. Ultimately, the system will trigger an additional charge to the customer if the carcass is not returned. Navy uses the term Carcass Charge for this additional billing which represents the value between Standard Price and Net (Exchange) Price. This additional billing is also referred to as a Delta Bill. If the customer returns the carcass after receiving the Carcass (Delta) Bill, then the additional billing is reversed, resulting in a Carcass Charge Reversal (Credit Delta Bill). Navy customers may also return excess DLRs for credit. The credit can be Standard, Net or Carcass value.</i></p>	<p><i>C2.16.2. Requisitions received indicating that a carcass will be returned are tracked in the Navy's Carcass Tracking System. This system monitors these requisitions and matches them with carcass returns as they occur. This system also generates follow ups to customers who have not returned their carcasses as promised. Ultimately, the system will trigger an additional charge to the customer if the carcass is not returned. Navy uses the term Carcass Charge for this additional billing which represents the value between Standard Price and Net (Exchange) Price. This additional billing is also referred to as a Delta Bill. If the customer returns the carcass after receiving the Carcass (Delta) Bill, then the additional billing is reversed, resulting in a Carcass Charge Reversal (Credit Delta Bill). Navy customers may also return excess DLRs for credit. The credit can be Standard, Net or Carcass value.</i></p>
<p><i>C2.12.3. Under DLSS/MILSBILLS billing, the Navy ICP's use the Sales Price Condition Code to indicate to customers that a particular bill is either Net (Exchange) Price or Carcass (Delta) Price. Once operational, Navy's ERP will replace the Navy ICP's DLSS/MILSBILLS billing system with a DLMS based system. Since DLMS does not utilize a Sales Price Condition Code, Navy will use a combination of Stock Exchange Code and Type of Bill Code to indicate on the bill that the price charged is either Standard, Net or Carcass price. The Defense Automated Address System (DAAS) will convert Navy DLMS bills back to DLSS/MILSBILLS format for any Navy customers unable to accept DLMS formats.</i></p>	<p><i>C2.16.3. Under Defense Logistics Stanard Systems (DLSS)/MILSBILLS billing, the Navy ICP's use the Sales Price Condition Code to indicate to customers that a particular bill is either Net (Exchange) Price or Carcass (Delta) Price. Once operational, Navy's ERP will replace the Navy ICP's DLSS/Military Standard Billing System (MILSBILLS) billing system with a DLMS based system. Since DLMS does not utilize a Sales Price Condition Code, Navy will use a combination of Stock Exchange Code and Type of Bill Code to indicate on the bill that the price charged is either Standard, Net or Carcass price. The Defense Automated Address System (DAAS) will convert Navy bills back to DLSS/MILSBILLS format for any Navy customers unable to accept DLMS formats.</i></p>

<u>DoD 4000.25-7-M (MILSBILLS)</u>	<u>DoD 4000.25-M, Volume 5, Finance</u>
	<p><u>C2.17. INCLUSION OF TRANSPORTATION CONTROL NUMBERS (TCN) ON DLMS LOGISTICS BILLS.</u> Suppliers may bill on partial shipments with identical quantities under the same document number, which makes the bills appear as duplicates. Including the TCN on the DLMS Logistics Bill will resolve that problem. Partial shipment codes are part of the TCN structure in accordance with DTR 4500.9-R. Accordingly, reporting activities shall include the TCN in DLMS Logistics Bill transactions. This is a DLMS enhancement, which may be implemented without prior authorization.</p>



Description of Enclosure 2 Layout

This enclosure is the table used to compare the equivalent procedures between DOD 4000.25-7-M (MILSBILLS) and DOD 4000.25-M, Volume 5, Finance. The first column follows the organization of DOD 4000.25-M, Volume 5. The second column maps content from MILSBILLS for comparison to the DOD 4000.25-M, Volume 5 language.

In assessing how to best merge the procedures of the two manuals, the content of the table was assigned to one of three categories. The content was highlighted with a color according to the recommended category.

Green highlighted text indicates the final text for the merged chapter and is included in Enclosure 1. A few procedures have a comment in the right margin that sought verification of the procedure from a specific FPRC representative.

Grey highlighted text indicates the text was recommended to be passed over in favor of the equivalent green highlighted text.

Blue highlighted text indicates:

- 1) MILSBILLS text not be merged even though there is no equivalent language in DOD 4000.25-M, Volume 5, Chapter 4,
or
- 2) DOD 4000.25-M, Volume 5 text recommended for deletion as part of PDC 493.
- 3) Questionable text which sought comment from components during PDC 493 staffing.

A comment in the right margin accompanies each blue highlighted text to indicate why the text is highlighted blue.

In addition, **Yellow highlighted, bold, italicized text** indicates changes made since the staffing of PDC 493.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
C4. CHAPTER 4	C4. CHAPTER 4
<u>DLMS BILLING ADJUSTMENTS</u>	<u>ADJUSTMENT PROCEDURES</u>
<p>C4.1. REQUESTING ADJUSTMENTS. Offices desiring adjustment of DLMS billings shall request adjustment of these bills using the DS to Federal IC 812R, Adjustment Request. The DS will also be used to cancel or follow-up on adjustment requests.</p>	C4.1. <u>GENERAL</u>
	C4.1.2. Submission of Adjustment Requests and Replies
	<p>C4.1.2.1. Unless otherwise indicated in this chapter, requests for adjustment, follow-ups, and replies shall be submitted by electronic means.</p>
	<p>C4.1.2.3. Requests are generally prepared using the Request for Billing Adjustment (DS 812R, DI code FAE) record. However, into-plane and bulk fuel related adjustment requests must use the Request For Adjustment of Fuel Billing (DS 812 R, DI code FJE). Refer to other Chapter 4 sections for more specific information on preparing requests for adjustments and follow-ups.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.1.1. <u>Submission</u></p> <p>C4.1.1.1. <u>Adjustment</u>. All requests for adjustments shall be forwarded to the billing office except as noted in this section.</p> <p>C4.1.1.3. <u>Requests For Adjustment</u>. Requests for adjustments of GSA billings shall be forwarded to the GSA Customer Service Center DoDAAC "47 6437 0000".</p>	<p>C4.1.2.2. Requests for adjustments will normally indicate the billing office as the addressee and shall be submitted to DLA Transaction Services for processing and routing to the billing office. Requests for adjustments of GSA billings shall be addressed to the GSA National Customer Service Center (RI code "GSA"). Correspondence to the Service Center, if necessary, may be directed to:</p> <p>General Services Administration National Customer Service Center 1500 East Bannister Road Kansas City, Missouri 64131-3087 Telephone: (800) 488-3111 (DSN) 465-1416</p>
	<p>C4.2.6.3. <u>Nonreimbursable</u>. Forward a request for adjustment in the format prescribed for BAC "14" when the coding of the requisition indicates that the materiel was requisitioned under nonreimbursable procedures and a materiel billing was received.</p>
	<p>C4.2.6.4. <u>Accessorial</u>. A request for adjustment in the format prescribed for BAC "15" shall be forwarded whenever accessorial costs are charged and the charges are not authorized.</p>

Comment [PM1]: Insert DoDAAC in MILSBILLS C4.1.2.2. language as an "or" option.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.1.2. Timeframes. All requests for adjustments should be submitted within 30 calendar days of receipt of the billing. Initial requests for adjustment received after the record retention period for billing records may be denied. When a discrepancy report or adjustment request is received within prescribed timeframes, nonavailability of records, or the passing of the record by the time the report is validated, or the request is processed, may not be used as a basis for denying the adjustment.</p>	<p>C4.5.3.2. Initial requests for adjustment received by the billing office after the record retention period for billing records may be denied.</p>

DoD 4000.25-M, Volume 5, Finance

C4.1.3. Minimum Value

C4.1.3.1. Adjustment for Billing Errors. In general, no request for adjustment should be submitted for billing errors when the amount of the error is \$250 or less. As an exception to the general guideline, no request for adjustment should be submitted for billing errors when the amount of the error is \$100 or less and the billing office is GSA or the materiel involved is a subsistence item.

C4.1.3.2. Adjustment Types. There is no minimum value for requesting status on an anticipated or required billing, requesting a corrected bill when the bill received is incomplete, requesting a copy of a bill, requesting a change in the type of billing (interfund to noninterfund and noninterfund to interfund), or requesting adjustments for validated discrepancy reports.

C4.1.3.3. FMS Billing Errors. There is no minimum value for adjustment of FMS billing errors. However, adjustment requests for foreign military sales (FMS) shipments may not be submitted when the request can be rejected per the general conditions of the U.S. Department of Defense Letter of Offer and Acceptance.

DoD 4000.25-7-M (MILSBILLS)

~~C4.1.1. Minimum Value for Adjustment. There is no minimum financial dollar value for requesting or processing billing adjustments or refunds.~~

Comment [PM2]: Component comment requested regarding adoption of the MILSBILLS simple statement on minimum values. (11/16/2011) Stayed with modified DLMS language.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.2. CANCELING OR AMENDING REQUESTS FOR ADJUSTMENT</p> <p>C4.2.1. Canceling Requests. Submitting offices may cancel requests for adjustments whenever the request is no longer valid or appropriate and the billing office has not provided a final reply to the request.</p> <p>C4.2.2. Amendments. Requests for adjustments may be amended by canceling the original request and submitting a new request.</p>	<p>C4.3. CANCELING REQUESTS FOR ADJUSTMENT¹. Submitting offices may, at their option, cancel requests for adjustments (using DI codes FAC, FDC, or FJC record formats, as appropriate) whenever the request is no longer necessary, invalid, or inappropriate and the billing office has not responded to the request. Adjustment processing activities may choose to not accept, process, or respond to these cancellation requests.</p>
<p>C4.3. FOLLOW-UP ON UNANSWERED REQUESTS FOR ADJUSTMENT</p>	<p>C4.4. FOLLOW-UP ON REQUESTS FOR ADJUSTMENT</p>
<p>C4.3.1. Adjustment Requests. Except for follow-ups to DLA Transaction Services, offices submitting adjustment requests will follow-up on requests for adjustments remaining unanswered for more than 1445 calendar days after submission. If the request for adjustment remains unanswered for more than 1430 calendar days after follow-up, submitting offices will forward a second and final follow-up by letter or message to the billing office. In addition to providing the billing office with the information required to process the request, the final follow-up will also identify the dates of initial and follow-up request.</p>	<p>C4.4.1. First Follow-Up</p> <p>C4.4.1.1. Offices submitting adjustment requests shall follow up on requests for adjustments (DI code FAF, FDF, or FJF) that remain unanswered for more than 14 calendar days after submission.</p> <p>C4.4.2. Second Follow-Up</p> <p>C4.4.2.1. When the initial follow-up remains unanswered for more than 14 calendar days, submitting offices shall forward a second and final follow-up by letter or message to the billing office. In addition to providing the billing office with the information required to process the request, the final follow-up shall also identify the dates of initial and follow-up request.</p>

Comment [PM3]: Note differences in follow-up dates. Component comments requested. (11/16/2011) DFAS has 120 days to elevate. Concerned that using the full 45+30 days does not leave enough to elevate. Decision is to set timers to 14 days for first follow-up and 14 days for second follow-up.

¹ The requirement to generate or process cancellation-related adjustment documents is effectively ended and should not be incorporated in new or revised systems. However, these optional provisions are required to allow activities to remain in compliance with MILSBILLS without having to make programming changes to terminate the adjustment cancellation process in legacy systems.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
	<p>C4.4.2.2. Follow the procedures prescribed for noncompliance and other problems (see Chapter 1) when requests for adjustments or requests for MRP credits remain unanswered for more than 14 calendar days after the second follow-up or if an interim response was received and the date promised has passed.</p>
<p>C4.3.2. Copies of Bills. Follow-up to DLA Transaction Services for copies of bills, if needed, will be by letter or message. Follow-up to DLA Transaction Services may begin 7 calendar days after the request is submitted.</p>	<p>C4.4.1.3. Follow up to DLA Transaction Services (daashelp@daas.dla.mil) for copies of interfund bills requested but not received.</p>
<p>C4.3.3. Credit Follow-Up. Offices designated to receive Materiel Returns Program (MRP) credit will initially follow-up on the credit due when the credit has not been received and more than 3069 calendar days have elapsed since the creditable status was received. A second follow-up will be submitted if a reply or credit is not received within 3069 calendar days of the initial follow-up.</p>	<p>C4.4.1.2. Offices promised MRP or procurement offset credit shall follow up by submitting a second DI code FTP record when the credit is not received within 30 calendar days of the initial request.</p>
<p>C4.4. REPLYING TO REQUESTS FOR ADJUSTMENT OR MRP CREDIT</p> <p>C4.4.1. Processing Adjustments. Billing or adjustment processing offices will reply to adjustment requests using DLMS Supplement (DS) 812L, Adjustment Request Reply. The DS will also be used to reply to follow-up requests.</p>	<p>C4.5 PROCESSING REQUESTS FOR ADJUSTMENT</p> <p>C4.5.1. Replies to Requests and Follow-Ups</p> <p>C4.5.1.1. Billing offices shall respond to all requests for adjustment within 15 calendar days of the date the request is submitted.</p>

Comment [PM4]: (11/16/2011) Keep at 14 calendar days.

Comment [PM5]: Note differences in follow-up dates. Component comments requested. (11/16/2011) Set at 30 calendar days.

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.4.2. <u>Responding to Requests.</u> Billing offices shall respond to all requests for adjustment within 1330 calendar days of the date the request is received. Billing offices shall respond to follow-up requests for adjustment within 1324 calendar days of the date the request is submitted. All adjustment replies shall include an appropriate coded reply.</p>	<p>C4.5.1.2. Billing offices shall respond to all first follow-up requests for adjustment and MRP credits within 15 calendar days of the date the request is received and respond in the DI code FAS, FDS FJS or FTB format.</p> <p>C4.1.2.4. Replies to adjustment requests (DS 812L, DI code FAR) and follow-ups (DS 812L, DI code FAS) are required and shall also be forwarded to DLA Transaction Services for processing and further routing to the adjustment requestor. As with the requests, fuel-related replies shall follow the equivalent DI code FJ_ series formats.</p>
<p>C4.4.3. <u>Response to Requesting Offices.</u> All responses to adjustment requests will be forwarded to the office submitting the request and parties identified to receive status. Adjustments will be forwarded to the office originally billed.</p>	<p>C4.5.3.1. Responses to adjustment requests shall be forwarded to the office designated by the recipient of billing status code. Adjustments shall be forwarded to the original billed office.</p>
	<p>C4.5.1.3. Billing offices shall respond to initial requests and first follow-up for MRP credit in the 812L / DI code FTB format. Responses shall be forwarded, via DSN, to the office designated by the materiel receipt status (870M, DI code FTZ).</p>
<p> </p> <p> </p> <p> </p>	<p>C4.5.1.5. Billing offices shall respond to second follow-up requests for adjustments and MRP credit within 730 calendar days of receipt. If the request cannot be answered within 730 calendar days, an interim response by letter or message will be provided. The response must be completed within 360 calendar days.</p>
<p>C4.5. <u>ADJUSTMENT AMOUNT.</u> In general, adjustments, when warranted, will be at the price originally billed. Adjustments for validated product quality deficiency reports (PQDRs) will be</p>	<p>C4.5.2. <u>Adjustment Amount.</u> As a general rule, adjustments will be processed at the price originally billed. The following are exceptions:</p>

Comment [PM6]: Note differences in follow-up dates. Component comments requested. (11/16/2011) Set at 13 days to match the request windows.

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>processed at the current standard price when the original price billed cannot be determined. Adjustments for Material Returns Program (MRP) credits will be at the current acquisition price or at a reduced price if, in the opinion of the Integrated Materiel Manager (IMM), the condition warrants such reduction.</p>	<p>C4.5.2.1. Adjustments, for validated PQDRs, shall be processed at the current standard price when the original price cannot be determined; that is, the PQDR cannot be identified to a specific requisition.</p> <p>C4.5.2.2. MRP credits for other than lateral redistributions shall be processed at the acquisition cost in effect at the time of receipt. MRP credits for materiel laterally redistributed shall be processed at the standard price in effect at the time of shipment. Credits for materiel returned or laterally redistributed may be less than acquisition or standard price if, in the opinion of the IMM, the condition warrants such reduction.</p>
<p>C4.6. UNSATISFACTORY BILL PROCEDURES. An unsatisfactory DLMS bill is a bill which cannot be processed. For example, the total amount is not fully supported by billing details or the bill does not include essential information required by DLMS billing implementation conventions. Bill to parties will use the TS 997 IC, Functional Acknowledgment, to reject improper bills back to the billing office. See volume 1, chapter 6, and DLMS appendix 6 for the IC for the Functional Acknowledgment transaction set.</p>	<p>C4.2.2. Incomplete or Unsupported Bill</p> <p>C4.2.2.1. An incomplete bill is one in which the bill, either interfund or noninterfund, is not fully supported by detail billing records or information, respectively.</p> <p>C4.2.2.2. Since DLA Transaction Services will not pass incomplete interfund bills to billed offices and billing offices will not be reimbursed for bills not submitted to DLA Transaction Services, a copy of the “incomplete” interfund bill shall be requested from DLA Transaction Services.</p> <p>C4.2.2.3. Requests for incomplete (that is unsupported) noninterfund bills shall be addressed to the billing office and must cite billing account code (BAC) “19”. In addition to responding to the request, whenever the bill referred to is on file, billing offices must always provide a fully supported copy or corrected bill to the billed office.</p>

Comment [PM7]: Request DLA Transaction Services validate if the 997 IC to be used for rejecting improper bills. (11/16) Do not include.

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.7. BILLING STATUS PROCEDURES</p> <p>C4.7.1. Obtaining Bill Status. When requisitioned materiel is received, intended billed offices must use Adjustment Request (DS 812R, DIC FAE) to seek the status of the bill. When materiel was not ordered, or if ordered, not received, discrepancy report procedures apply. See volume 2, C17 and DoD 4500.9-R volume 2, chapter 210 for discrepancy report procedures.</p>	<p>C4.2.4. Status of Billing or Credit</p> <p>C4.2.4.1. Bill Not Received</p> <p>C4.2.4.1.1. When requisitioned materiel is received and the billing has not been received, intended billed offices must seek the status of the billing by forwarding a request for adjustment citing BAC "34."</p> <p>C4.2.4.1.2. When materiel received was not requisitioned, or if requisitioned materiel was not received, discrepancy report procedures rather than adjustment procedures apply. Contact the local supply or requisitioning office for appropriate discrepancy procedures.</p>
<p>C4.7.2. Shipment Bill Status. When shipment status is received for requisitioned materiel and the materiel can be billed only upon evidence of constructive delivery, intended billed offices must use Adjustment Request (DS 812R, DI code FAE) to seek the status of the bill. Billing offices may generate the required billing when properly completed requests are received and a billing is awaiting evidence of constructive delivery. Billing offices will also initiate appropriate actions with their supply office to identify and resolve problems underlying this condition.</p>	<p>C4.2.4.1.3. When shipment status is received for requisitioned materiel and the materiel can be billed only upon evidence of constructive delivery (see section C2.1), intended billed offices should seek the status of the billing by forwarding a request for adjustment citing BAC "35." Billing offices shall generate the appropriate billing when properly completed requests are received and billing is awaiting evidence of constructive delivery. Billing offices shall also initiate appropriate actions with their supply office to identify and resolve problems associated with this condition.</p>
<p>C4.7.3. Timeframe. At least 90 calendar days must have elapsed after receiving the materiel or, in the case of FMS shipments, shipment status before requesting the status of the bill. However, the status must be requested within a year of the date of shipment (2 years for FMS shipments). Billing offices may reject requests for billing status which are not submitted within these timeframes.</p>	<p>C4.2.4.1.4. At least 90 calendar days must elapse after receiving the materiel or, in the case of Foreign Military Sales (FMS) shipments, shipment status, before requesting the status of the bill. However, the status must be requested within 1 year of the date of shipment (2 years for FMS shipments). Billing offices shall reject requests for billing status that are not submitted within these timeframes.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
	<p>C4.2.4.1.5. When the request for billing status involves fuels and is forwarded to the DLA Energy Defense Energy Support Center (DESC) (RI code S9F), the request shall be mailed and must identify the supply source. If the supply source is a DLA EnergyDESC regional location, provide the DoDAAC of the location. If the supply source is a contractor, including contractor into-plane, provide the contract number.</p>
<p>C4.7.4. <u>Restrictions</u>. Except for billings awaiting evidence of shipment or receipt, billing offices will not generate bills based solely upon a request for billing status.</p>	<p>C4.2.4.1.6. Except for billings awaiting evidence of shipment or receipt, billing offices shall not generate bills based solely upon a request for billing status.</p>
	<p>C4.2.4.1.7. <u>DoD 7000.14-R</u>, Volume 10, has allowances for writing off unbilled liabilities and deobligating the related obligation when an invoice has not been received within 180 calendar days from the date of acceptable final performance and there is documentation on file that at least two written requests for an invoice have been made. Refer to the reference for other conditions that must be met, such as establishing a reserve for late bills.</p>

Comment [PM8]: Request DLA please validate procedures C4.2.4.1.5. from MILSBILLS with DLA Energy. (Proposed to be section C4.7.4 of merged chapter 2.) (11/16/2011) Correct DESC

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.8. BILL COPY PROCEDURES</p> <p>C4.8.1. <u>Requesting Copies.</u> Like other adjustment requests, requests for copies of DLMS bills will be forwarded to the DLA Transaction Services using DS 812R, Adjustment Request.</p> <p>C4.1.1.2. <u>Copies of Interfund Bills.</u> Requests for copies of interfund bills shall be forwarded to DLA Transaction Services if DLA Transaction Services record retention period has not expired. See Chapter 6 for DLA Transaction Services record retention requirements.</p> <p>C4.8.2. <u>Retransmitting Copies.</u> DLA Transaction Services will retransmit a copy of all bills wherein the billing office DoDAAC, bill number, and year within decade and month of credit match the same information on the request.</p> <p>C4.8.3. <u>Bill Reversal.</u> Billing offices failing to respond to requests for copies of bills, when such requests are received within the record retention period, shall be directed by their Component headquarters to reverse the billing. Billed offices shall absorb all charges, in the manner proscribed by their Service or Agency, when the record retention period has elapsed and they have failed to obtain copies of bills.</p>	<p>C4.2. <u>PREPARATION OF ADJUSTMENT REQUESTS</u></p> <p>C4.2.1. <u>Bill Copy</u></p> <p>C4.2.1.1. Requests for copies of interfund bills shall be addressed to DLA Transaction Services and must use the Request for Retransmission of Interfund Bill (DS 812R ,DIC QB1) format. See Chapter 6 for additional information and options regarding retrieval of copies of bills.</p>
	<p>C4.2.1.2. Requests for copies of noninterfund bills will normally be addressed to the billing office.</p>

Comment [PM9]: Component comment requested regarding maintaining this bill reversal process. (11/16/2011) Remove.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.9. REQUEST FOR CHANGE IN BILLING METHOD. When a billed office is unable to process a DLMS bill (either interfund or noninterfund) under the payment method processed, they may have the item or items billed under the alternative procedure by forwarding DS 812R, Adjustment Request, to the billing office. All such requests, submitted according to the procedures prescribed in this manual, will be honored by the billing office.</p>	<p>C4.2.5. Change in Billing Method</p> <p>C4.2.5.1.1. When billing offices bill under interfund procedures and MILSBILLS procedures do not allow for such billing, billed offices will forward requests for adjustment in the format prescribed for BAC "52."</p> <p>C4.2.5.1.2. When MILSBILLS procedures prescribe billing under interfund procedures, billing offices shall deny requests for improperly billed interfund.</p> <p>C4.2.5.1.3. When the requisition or customer asset report improperly designates interfund billing and the interfund billing cannot be processed, refer to the following subparagraph for requesting rebilling under noninterfund procedures</p> <p>C4.2.5.2. Properly Billed Interfund to Noninterfund</p> <p>C4.2.5.2.1. When a billed office is unable to process a billing record under interfund procedures, the billed office may have the item or items billed under noninterfund procedures by forwarding a request for billing adjustment citing BAC "51." Use of this advice code is an admission by the billed office that the requisition or other document was incorrectly coded.</p> <p>C4.2.5.2.2. Requests citing BAC "51" may be submitted only when the funds or charge involved cannot be disbursed or processed under interfund procedures. All such requests shall be honored by the billing office; the billing office may challenge this assertion.</p>

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.10. <u>ADJUSTMENTS FOR DISCREPANCY REPORTS.</u> Discrepancy reports will be submitted, reviewed, processed, validated, and responded to in accordance with Volume 2. Financial adjustments related to discrepancy reports will be processed in accordance with this manual.</p>	<p>C4.2.7. <u>Adjustments for Discrepancy Reports</u></p> <p>C4.2.7.1. Discrepancy reports shall be submitted, reviewed, processed, validated, and responded to in accordance with procedures prescribed for the discrepancy in accordance with the following requirements:</p> <p>Table C4.T1. <u>Adjustments to Discrepancy Reports</u></p> <p>Reporting of Transportation Discrepancies in Shipments, DoD 4000.25-7-M, Chapter 17, Section 17.1.1.1, "Defense Transportation Regulation"</p> <p>Reporting of Supply Discrepancies, DLM 4000.25, Chapter 17</p> <p>Product Quality Deficiency Program, DLAR 4155.24/AR 702-7/SECNAVINST 4855.5A/AFR 74-6</p>
<p>C4.10.1. <u>Financial Adjustment</u></p> <p>C4.10.1.1. <u>Processing.</u> Billing offices shall process financial adjustments without regard to dollar value when the discrepancy report is validated and the following criteria are met:</p>	<p>C4.2.7.2. Billing offices shall process financial adjustments or claims <i>citing the applicable Type of Bill Code (QD, WP, WU, or TD)</i> based on the discrepancy report when the discrepancy report is validated and all of the following MILSBILLS or GSA criteria are met:</p>
<p>C4.10.1.1.1. <u>Discrepancy Not Otherwise Resolved.</u> The discrepancy was not resolved otherwise; i.e., the vendor does not replace deficient materiel for a validated PQDR.</p>	<p>C4.2.7.2.1. The discrepancy was not resolved otherwise; e.g., the vendor does not replace deficient materiel for a validated Product Quality Deficiency Report (PQDR).</p>
<p>C4.10.1.1.2. <u>Materiel Billed and Paid.</u> The materiel was billed and paid previously or, in the case of reporting on a constructed document number, there is a reasonable basis for assuming the items were billed and paid for previously.</p>	<p>C4.2.7.2.2. The materiel was billed and paid previously or, in the case of PQDRs, there is a reasonable basis for assuming the items were billed and paid for previously.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
C4.10.1.1.3. <u>Materiel Returned</u> . The materiel is received by the depot in those cases where the discrepancy report reply requires the return.	C4.2.7.2.3. The materiel is received by the depot in those cases where the reply to the discrepancy report requires a return.
	C4.2.7.2.4. The discrepancy involves GSA shipments and Transportation Discrepancy Report (TDR) exceeds \$25 per line (detail billing record) (DBR) or the SDR exceeds \$50 per line (DBR). There is no minimum adjustment level on PQDRs involving GSA shipments. There are no adjustment dollar value limitations for discrepancies involving DoD shipments.
	C4.2.7.2.5. The original MILSTRIP requisition number is included on the PQDR or SDR. When the original requisition number cannot be identified, the originating or screening point must include a constructed 14-position <u>MILSTRIP</u> document number using the originating or screening point's DoDAAC for the first six characters, the current Julian date (YDDD) for the next four positions, and a four position serial number beginning with "U" as the first position of the serial number. An example of a constructed document number is F123453175 U001. Also carried as a utilization code under DLMS. Note: For SDRs, circumstances authorizing the use of a constructed document number are restricted to those described in DLMS, chapter 17.
	C4.2.7.2.6. The discrepancy report for a GSA shipment is received by GSA, except when extenuating circumstances or high dollar values warrant special consideration, within the following timeframes:
	C4.2.7.2.6.1 Within 1 year of the date of shipment for PQDRs except:

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
	C4.2.7.2.6.1.1. For items under warranty that must be received within the time limits prescribed in the individual warranty.
	C4.2.7.2.6.1.2. For shelf life items that must be received prior to the expiration of the shelf life period and within 1 year of the date of shipment.
	C4.2.7.2.6.2. Within 180 calendar days of the date of shipment for other than quality deficiencies except for:
	C4.2.7.2.6.2.1. Shipments for security assistance consignees, that must be received within 18 months of the date of shipment; and
	C4.2.4.2.6.2.2. Shipments to consignees located in the CONUS, HAWAII, the Commonwealth of Puerto Rico, the Virgin Islands, the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island, that must be received within 120 calendar days of the date shipment.
C4.10.1.2. <u>Improper Commitment</u> . When a reply to a discrepancy report improperly commits the billing office to providing an adjustment; e.g., shipment was never billed, the billing office will ask the replying office to correct the reply to the discrepancy report.	C4.2.7.3. When a reply to a discrepancy report improperly commits the billing office to providing an adjustment; e.g., shipment was never billed, the billing office shall ask the replying office to correct the reply to the discrepancy report.
C4.10.2. <u>Other Discrepancies Adjustment Rules</u>	

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.10.2.1. Adjusting Transportation Discrepancy Reports. Requests for adjustments related to Transportation Discrepancy Reports (TDRs) will be submitted only when the adjustment is not received and more than 60 calendar days have elapsed since the report was filed. Requests related to PQDRs and SDRs should be timely, but shall not be submitted until a minimum of 60 calendar days have elapsed since receiving notification that the discrepancy is validated; that is, that an adjustment is approved.</p> <p>C4.10.2.2. Materiel Return Contingency. When the promised adjustment for a discrepancy is contingent upon the return of materiel, the request shall not be submitted until a minimum of 60 calendar days have elapsed since shipping the materiel with additional allowance for transportation time to the shipping activity. When a reply to a discrepancy report is not received, follow up as prescribed by Volume 2.</p>	<p>C4.2.7.4. Requests for adjustments related to TDRs (BAC "21") shall be submitted only when the adjustment is not received more than 60 calendar days after the report was filed.</p> <p>C4.2.7.5. Requests related to PQDR (BAC "24") and SDRs (BAC "26") shall be submitted within 30 calendar days after receiving notification that the discrepancy is validated; that is, that an adjustment is approved. When the adjustment is contingent upon the return (and receipt) of materiel, the request shall be submitted no sooner than 45 calendar days after the return shipment.</p>
	<p>C4.2.7.6. The portion of credits for materiel laterally redistributed may be fully or partially reversed by the IMM when a discrepancy report documents the materiel was not shipped in a condition warranting full credit.</p>

Comment [PM10]: (11/16/2011) Change title to accommodate all discrepancy reports.

Comment [PM11]: Note differences in follow-up dates. Component comments requested. (11/16/2011) Accepted minimum 60 calendar dates from DLMS.

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>									
	<p>C4.2.7.7. Activities responsible for discrepant shipments may be held responsible for costs incurred for repackaging, disposal, and similar costs for unauthorized returns, deficient packaging, and other item and packaging discrepancies that have been documented and validated under SDR procedures. Although other, mutually agreeable arrangements may be made, such costs shall normally be recovered under noninterfund procedures and will be supported by the validated discrepancy report. In addition, when such returns are creditable, these discrepancy costs may be offset against the credit to which the returning activity is otherwise entitled.</p>									
	<p>C4.2.7.8. Adjustments based upon PQDRs shall be forwarded to the code and bill-to DoDAAC indicated on the PQDR. If omitted, adjustments shall be sent to the DoDAAC indicated (TAC 3, or TAC 1 if no TAC 3 exists) of the requisition number provided on the PQDR and the following fund code:</p>									
	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="1073 902 1591 938">Table C4.T2. Default PQDR Fund Codes</th> </tr> <tr> <th data-bbox="1073 941 1346 995">Billed Service Code</th> <th data-bbox="1350 941 1591 995">Fund Code</th> </tr> </thead> <tbody> <tr> <td data-bbox="1073 998 1346 1052">N, P, R, or V (Navy)</td> <td data-bbox="1350 998 1591 1052">96</td> </tr> <tr> <td data-bbox="1073 1055 1346 1101">All Others</td> <td data-bbox="1350 1055 1591 1101">QD</td> </tr> </tbody> </table>		Table C4.T2. Default PQDR Fund Codes		Billed Service Code	Fund Code	N, P, R, or V (Navy)	96	All Others	QD
Table C4.T2. Default PQDR Fund Codes										
Billed Service Code	Fund Code									
N, P, R, or V (Navy)	96									
All Others	QD									

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.11. ADJUSTMENTS FOR BILLING ERRORS</p> <p>C4.11.1. The following are billing errors and shall not be accepted for processing unless the minimum value criterion (Section 4.1) for requesting adjustment is met:</p> <ul style="list-style-type: none"> C4.11.1.1. Duplicates C4.11.1.2. Wrong amount billed C4.11.1.3. Wrong office billed C4.11.1.4. Improper billed C4.11.1.5. Promised adjustment not received C4.11.1.6. Other problems 	<p>C4.2.6. Billing Errors</p>
<p>C4.11.2. Duplicates</p>	<p>C4.2.3. Duplicates</p>
	<p>C4.2.3.1. Duplicate Billing Line</p>
<p>C4.11.2.1. <u>Duplicate Billing Line.</u> A duplicate billing line is a second or later billing for a single shipment or adjustment. If the second or later billing resulted from a second or later shipment, financial adjustment procedures do not apply. See, instead, discrepancy report procedures for duplicate shipments in Volume 2.</p>	<p>C4.2.3.1.1. This is a second or subsequent detail billing record for a single shipment or adjustment. If the second or subsequent billing resulted from a second or subsequent shipment, MILSBILLS adjustment procedures do not apply. Refer instead to supply discrepancy report procedures for duplicate shipments.</p>
<p> </p>	<p>C4.2.3.1.2. To obtain adjustment for duplicate detail billing records not previously adjusted by the billing office, submit a separate request (DI code FAE or FJE) for each duplicated billing record in the format prescribed for BAC "11."</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
	C4.2.3.2. Duplicate Bill
C4.11.2.2. <u>Duplicate Bill</u> . Duplicate bill is a bill which is supported entirely by duplicate billing lines. In the case of interfund bills, the bill is also included on the billing office's interfund report.	C4.2.3.2.1. This is a bill, either interfund or noninterfund (SF 1080 or equivalent), wherein the bill is supported entirely by duplicate detail billing records. In the case of interfund bills, the bill is also included on the billing office's interfund report.
	C4.2.3.2.2. Adjustments for duplicate interfund bills may be requested only upon confirmation that the bills (original and duplicate) were, in fact, reported to the buying service's CAO. To obtain an adjustment, submit a Request For Summary Level Billing Adjustment (DS 812R, DI code FDE) for each duplicated bill citing.
	C4.2.3.2.2.1. BAC "42" when the entire bill, details and summary, is identical, including the bill number, to a previous bill.
	C4.2.3.2.2.2. BAC "43" when, except for the bill number, the entire bill, details and summary, is identical to a previous bill, and
	C4.2.3.2.2.3. BAC "44" when <u>all</u> of the supporting detail billing records of one bill have been included on another bill. The bill containing such previously billed DBRs is the duplicate bill.
C4.11.2. Wrong Amount Billed	C4.2.6.1. <u>Wrong Amount Billed</u>

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.11.2.1. <u>Purpose</u>. A wrong amount billed refers to a billing line in which the unit price, quantity, or price extension is erroneous.</p>	<p>C4.2.6.1.1. A wrong amount billed refers to a detail billing record in which the unit price, quantity, or price extension is erroneous. The error may be in either direction and shall be reported in the DI code FAE or FJE format prescribed for BAC "12."</p>
<p>C4.11.2.2. <u>Exceptions</u>. Do not request adjustment for wrong amount if:</p>	<p>C4.2.6.1.2. Do not request adjustment for wrong amount under the following conditions:</p>
<p>C4.11.2.2.1. The unit price is the correct standard or catalog price and you are questioning the price. Follow price challenge procedures instead.</p>	<p>C4.2.6.1.2.1. The billing unit price is the standard or catalog price and you are questioning the catalog price used for billing. Follow, instead, price challenge and verification procedures. See section C4.7.</p>
	<p>C4.2.6.1.2.2. The extension does not agree with the amount billed and Sales Price Condition code "B" is indicated. In this case, the unit price shown on the billing record is the inventory carrying value, the standard unit price. The billing unit price, if needed, must be computed.</p>
<p>C4.11.2.2.2. The quantity billed equals the quantity ordered or shipped and a lesser quantity is received. Follow the appropriate Volume 2 discrepancy reporting procedure instead.</p>	<p>C4.2.6.1.2.3. The quantity billed equals the quantity ordered or shipped and a lesser quantity is received. Follow the appropriate discrepancy reporting procedures instead.</p>
<p>C4.11.3. <u>Wrong Office Billed</u></p>	<p>C4.2.6.2 <u>Wrong Office Billed</u></p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.11.3.1. Request. Request an adjustment for wrong office billed when the office billed does not agree with the coded requirements of the requisition or adjustment request and the coding indicated a valid billed office DoD Activity Address Code (DoDAAC). A valid billed office DoDAAC is one listed in the DoD Activity Address Directory (DoDAAD) with the proper authority code (See Chapter 6, C6.2.2.1.2 of this volume).</p>	<p>C4.2.6.2.1. Request an adjustment for wrong office billed (BAC “13”) when the office billed does not agree with the billed office specified in the requisition or similar order, or when the billed office for an adjustment differs from the office originally billed.</p>
<p>C4.11.3.2. Invalid Coded Information. If the coded information used to derive the billing office does not provide for a valid DoDAAC and the billing office assigned the billed office as prescribed in Chapter 2, the adjustment may be denied.</p>	<p>C4.2.6.2.2. When the billing was prepared in accordance with the requisition or modification received by the ICP/IMM, the request shall be denied.</p>
<p>C4.11.3.3. Wrong Office Assigned. When the billing office assigned the billed office as prescribed in Chapter 2 and the office assigned is not the intended office, the billed office will transfer or otherwise process the bill in accordance with procedures prescribed by the DoD Component. If the offices involved are serviced by the same finance center, the billed office shall contact the intended billed office or requisitioner and make arrangements for transferring the bill.</p>	<p>C4.2.6.2.3. When both the wrong office billed and the intended office are serviced by the same interfund central accounts office (CAO) (Defense Finance and Accounting Service-Indianapolis Center(DFAS-IN), DFAS-Denver center(DFAS-DE), or DFAS-Cleveland Center(DFAS-CL)) contact the CAO representative to the Finance PRC for instructions.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p data-bbox="142 305 443 329">C4.11.4. Improper Billing</p> <p data-bbox="86 363 814 509">C4.11.4.1. <u>General</u>. A DS 812R, Adjustment Request, citing the proper billing advice code should be submitted to billing offices to request adjustments for improper billings. For purposes of this section, an improper billing is a billing line which:</p> <p data-bbox="86 542 821 599">C4.11.4.1.1. Charges for materiel requisitioned under nonreimbursable procedures</p> <p data-bbox="86 631 831 688">C4.11.4.1.2. Charges improperly for accessorial costs;</p> <p data-bbox="86 721 795 777">C4.11.4.1.3. Charges for materiel following a reply that a billing could not be rendered; or</p> <p data-bbox="86 810 785 867">C4.11.4.1.4. Charges for materiel confirmed cancelled when the materiel is not received.</p>	<p data-bbox="989 310 1612 334">C4.2.5.1. <u>Improperly Billed Interfund to Noninterfund</u></p>
<p data-bbox="86 946 848 1214">C4.11.4.2. <u>Exceptions</u>. When the "cancelled" materiel is received or if the requisition was not confirmed cancelled by the inventory control point (ICP) or integrated materiel manager (IMM), financial procedures do not apply. Follow instead Volume 2 procedures prescribed for reporting supply discrepancy reports (SDRs). Although annotations on a shipping document, in conjunction with other factors, may support a discrepancy report, they do not support an adjustment for improper billing. A validated discrepancy report is needed.</p>	<p data-bbox="873 946 1612 1304">C4.2.6.5. <u>Cancelled</u>. When a billing for materiel is received on a requisition that was confirmed cancelled by the ICP or IMM <u>and</u> the materiel is not received, a request for adjustment in the format prescribed for BAC "17" shall be forwarded to the billing office. When the materiel was received or if the requisition was not confirmed cancelled by the ICP or IMM, MILSBILLS procedures do not apply. Follow instead procedures prescribed for reporting Supply Discrepancy Reports (SDRs). Although annotations on a shipping document, in conjunction with other factors, may support a discrepancy report, they do not support an adjustment for improper billing. A validated discrepancy report is needed.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
	<p>C4.2.6.6. Backordered. A request for adjustment in the format prescribed for BAC "18" shall be forwarded to the billing office whenever a billing is received on a requisition that was backordered and the receipt of the billing status, confirming that the materiel was not recieved. Do not submit requests citing BAC "18" prior to obtaining this status.</p>
	<p>C4.2.6.7. Billing Cannot Be Rendered. Billed offices shall request adjustment in the format prescribed for BAC "20" whenever the billing office issues a bill after advising, in a response to a request for billing status (Billing Status Codes DC and DF), that a bill could not be rendered.</p>
<p>C4.11.5. Promised Adjustment Not Received. Billed offices shall forward a Adjustment Request (DS 812R, DIC FAB/FJR) with the proper billing advice code to the billing office to follow-up on promised adjustments which are not received and more than 30 calendar days have elapsed since receiving a reply promising the billing or adjustment.</p>	<p>C4.2.4.2. Promised Adjustment Not Received. A request for adjustment citing BAC "23" shall be prepared when a billing or adjustment is not received and more than 30 calendar days have elapsed since receiving a reply (DI code FAR or FJR) to a request for adjustment promising the billing or adjustment. If the adjustment promised relates to a discrepancy report, refer to the section on adjustment for discrepancy reports (paragraph C4.2.7).</p>
	<p>C4.2.4.3. Lateral Redistributions (ISV For Both Consumables and Repairables). Offices promised credits for lateral redistributions (ISV for both consumables and repairables) shall follow up on credits not received within 30 calendar days of the date shipment confirmation is submitted to the IMM/ICP. The initial request must be made by submitting a Request for Billing Adjustment (DS 812R, DIC FAE) record citing BAC "27" to the IMM/ICP.</p>

<u>DoD 4000.25-M, Volume 5, Finance</u>	<u>DoD 4000.25-7-M (MILSBILLS)</u>
<p>C4.11.6. <u>Other Billing Problems</u>. Billed offices or others will request adjustments for problems not covered by billing advice codes by forwarding a letter (or message) of explanation along with the information required to process the request. The billing office will normally respond with a DS 812L, Adjustment Request.</p>	<p>C4.2.9. Other Billing and Adjustment Problems. Billed offices or others shall request adjustments for problems not covered by this section by forwarding a letter (or message) of explanation along with the information prescribed for BAC "55." Billing offices shall respond, via DSN, in the DIC FAR or FJR format. If required, or deemed appropriate, the billing office shall also respond by letter or message.</p>
	<p>C4.7. PRICE CHALLENGES AND VERIFICATION</p>
	<p>C4.7.1. DoD 4140.1-R (reference (c)) prescribes the basic DoD requirements under Service and Agency Price Challenge And Price Verification Programs. Price challenges and verification are often mistaken for MILSBILLS "wrong unit price billed" procedures. Contact the IMM/ICP customer service for assistance filing price challenges.</p>
	<p>C4.8. DISPUTED RESPONSES TO REQUESTS FOR ADJUSTMENT. Billing and billed offices are expected to resolve their differences regarding adjustment requests. However, when a billed office does not agree with billing office's response and the billed office considers the amounts involved significant, the billed office may consider the dispute an unresolved problem and follow the procedures prescribed in Chapter 1.</p>

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.12. ADJUSTMENTS FOR CHANGE NOTICES</p> <p>C4.12.1. Recording Undelivered Orders. If an order is placed with or through the DWCF, an undelivered order (obligation) should be recorded when the order is placed. A non-stock numbered item should be recorded as an undelivered order when the order is accepted. An adjustment to the undelivered order should be processed when a change notice affecting price, quantity, or an acceptable substitution of a like item is received from the stock fund. Refer to the DoD 7000.14-R, Volume 6, for more specific information on the above requirements.</p>	<p>C4.2.8. Adjustment for Change Notices</p> <p>C4.2.8.1. An adjustment to an undelivered order (obligation) may be requested by the ordering activity when a change notice affecting price, quantity, or an acceptable substitution of a like item is received.</p>
<p>C4.12.2. Customer Not Receiving Change Notice. If a DBOF customer does not receive a change notice or does not receive it in time to cancel or modify the order and additional funds are required, the materiel may be refused or returned to the DBOF and an adjustment requested. Adjustments for this reason shall be forwarded by mail and must be signed by the activity accounting officer. The request must meet the following requirements and will state essentially:</p>	<p>C4.2.8.2. If a working capital fund customer does not receive a change notice or does not receive it in time to cancel or modify the order and additional funds are required, the materiel may be refused or returned to the working capital fund and an adjustment requested. Adjustments for this reason shall be forwarded by mail and must be signed by an activity's senior operational financial official. The request shall state essentially:</p>
<p>"As a result of a price change, quantity change, or authorized substitution, the value of the materiel received exceeds amounts obligated and all available obligation authority. Request credit for the indicated quantity and items delivered under the following requisition document and suffix number. In addition, provide us with the return instructions for the materiel."</p>	<p><i>"As a result of a price change, quantity change, or authorized substitution, the value of the materiel exceeds amounts obligated and all available obligation authority. Request credit for the indicated quantity and items delivered under the following requisition document and suffix number. In addition, provide us with the return instructions for the materiel."</i></p>

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p>C4.12.3. Honoring Requests. The billing office shall honor all such requests and provide adjustment, without regard to dollar value, after the materiel is returned. The billing office shall also contact the item manager (requisition processing office) to arrange for the return.</p>	<p>C4.5.3.3. Billing offices shall honor all adjustment for change notice requests and provide adjustment, without regard to dollar value, after the materiel is returned.</p> <p>C4.2.8.3. The ordering activity shall also contact the ICP/IMM to arrange for the return.</p>
<p>C4.13. ADJUSTMENTS FOR FMS DISCREPANCIES AND BILLING ERRORS. The Military Departments may automatically grant adjustments² and charge or credit the administrative surcharge fund when:</p> <p>C4.13.1. The request cannot be rejected per the agreement with the FMS customer and</p> <p>C4.13.2. The amount of the adjustment requested is either (1) less than \$100 or (2) less than the amount approved³ for that Military Department by the Defense Security Cooperation Agency.</p>	<p>C4.6. SECURITY ASSISTANCE DISCREPANCIES AND BILLING ERRORS</p> <p>C4.6.1. The Military Department may automatically grant adjustments⁴ and charge or credit the administrative surcharge fund when:</p> <p>C4.6.1.1. the request cannot be rejected per the general conditions of the U.S. Letter of Offer and Acceptance, and</p> <p>C4.6.1.2. the transaction was billed on a DD Form 645A, Foreign Military Sales Statement.</p> <p>C4.6.2. Adjustments for IMM/ICP charges which may not be automatically charged to the administrative fund shall be prepared and forwarded to the IMM/ICP in accordance with the procedures contained in this chapter.</p>

Comment [PM12]: Request components comment on the proper requirement for the whom the billing manager is to contact for arranging the return. (Second sentence of C4.12.3 from DoD 4000.25-M, Volume 5 vs. C4.2.8.3. from MILSBILLS.) Need to apply one or the other. (11/16/2011) Use the MILSBILLS language.

Comment [PM13]: Request Defense Security Cooperation Agency (DSCA) validate the dollar threshold requirement and related footnote of C4.13.2 from DoD 4000.25-M, Volume 5.

² Automatic adjustments may be withheld from specific customers if there is a pattern of abuse of this authority. When such a pattern exists, all discrepancies and billing errors from that customer should be researched.

³ Military Departments may request approval for a different adjustment level. The dollar amounts of automatic adjustments will be determined by an agency cost effectiveness study which compares the administrative cost of conducting necessary research to determine specific responsibility versus the cost which will be incurred by the administrative surcharge pool if an automatic refund is authorized. The agency cost effectiveness study must be submitted to **Defense Security Cooperation Agency** for review and approval.

DoD 4000.25-M, Volume 5, Finance	DoD 4000.25-7-M (MILSBILLS)
<p data-bbox="79 305 758 362">C4.14. CREDITS FOR EXCESS REPORTS (MATERIEL RETURNS PROGRAM)</p> <p data-bbox="79 391 709 448">C4.14.1. Procedures. Materiel returns program procedures are prescribed by Volume 2.</p> <p data-bbox="79 477 823 630">C4.14.2. Processing Credits. Billing offices shall process credits for excess reports during the first billing cycle after receiving notification that materiel, authorized for return under creditable procedures, has been received in a condition warranting credit.</p>	<p data-bbox="871 310 1598 646">C4.5.1.4. Billing offices shall process credits for Customer Asset Reports during the first billing cycle after receiving notification that materiel, authorized for return under creditable procedures, has been received in a condition warranting credit. In the case of IMM directed lateral redistributions, credits to the reporting activity shall be processed upon notification of shipment by the reporting activity. The portion of credits for materiel laterally redistributed may be fully or partially reversed by the IMM when a discrepancy report documents the materiel was not shipped in a condition warranting full credit.</p>
	<p data-bbox="871 688 1598 992">C4.2.4.4. MRP or Procurement Offset Status Request (ISV For Both Consumables and Repairables). Offices expecting MRP or procurement offset (ISV for both consumables and repairables) shall request credit status using the Follow-up for Materiel Returns Program Credit (DS 812R, DIC FTP). The initial request should be prepared when the credit has not been received and more the 30 calendar days have elapsed since the Materiel Receipt Status (DS 870M, DI code FTZ), citing a creditable status or the Shipment Status (DS 856S, DIC AS6) is received by the IMM/ICP.</p>

⁴ Automatic adjustments may be withheld from specific customers if there is a pattern of abuse of this authority. When such a pattern exists, all discrepancies and billing errors from that customer should be researched.

Summary of PDC Comments for PDCs 488, 490, 491, and 493

As of: 2/23/2012 2:12 PM

	Originator	PDC	Response/Comment	Resolution
1.	Army (FMS)	490	<p>On page C6-4, Section C6-5.2 Logging On.... the information details the OLD way of accessing the system to query the interfund bills. The subsequent screen shots document the OLD procedure as well. Attached find the current screen access. The current process and screen shots should be incorporated into the DLMS guidance.</p>	<p>Kept introduction to access MILSINQ, but removed step-by-step instructions.</p>
2.			<p>In addition, as I provided to Paul Macias, the FMR, 7000.14R, Volume 15, Chapter 6 addresses record retention of supporting documentation for FMS Cases, Paragraph 060102 states: "The record retention period for FMS documents is 10 years from the date of final case closure. The Defense Security Cooperation Agency (DSCA) may issue exceptions to this retention period, e.g., for records associated with ongoing litigation proceedings and country suspensions." Which is in conflict with Section C6.2.3. of 4 years.</p>	<p>Chapter 2 staffed in ADC 491 with a question about retention periods. Believe the language in Chapter 6 is fine since the retention period likely is not on DLA Transaction Services.</p>
3.		491	<p>Assume numbering of subparagraphs will be updated: for example draft sent out reflecting the following:</p> <p>C2.1.1.4 C2.1.2.4.1 should be C2.1.1.4.1 C2.1.2.4.2 should be C2.1.1.4.2</p> <p>Similar paragraph numbering issues were noted throughout.</p> <p>C2.2.4.2. Air Force bill to DODAAC FA2303 is obsolete. All reverences should be changed to FG2303.</p> <p>Paragraph C2.2.6.6.4 - need to updated country code to Security Cooperation Customer Code and suggest rewording to: "when there are different Security Assistance Customer Codes." Or something similar - I think what they are trying to indicate that each customer code should have a separate bill.</p> <p>Paragraph C2.3 - record retention As previously discussed - if I am reading this</p>	<p>Corrected numbering. Numbering will be updated according to final content.</p> <p>Applied</p> <p>Applied</p>

	Originator	PDC	Response/Comment	Resolution
			<p>correctly you are addressing 3 different organizations responsibilities: Billing Office (C2.3.1), Supplying Organization for validating discrepancies (C2.3.2), and Security Assistance Activity responsible for maintaining documentation supporting billing to the Foreign Purchaser (C2.3.3).</p> <p>Suggest rewording of C2.3.3 as follows: "For security assistance, interfund bills are considered supporting execution documentation required to be maintained by the Implementing Agency in accordance with the DoD 7000.14R, Volume 15, 0602.J.7."</p> <p>C2.8 INTO-PLANE FUEL SALES - does not address Security Assistance - should it or is this addressed elsewhere?</p> <p>C2.9.2.2. states "When generators want ..." I don't think "generators" can make that decision. Needs to be reworded. Same issue throughout - think you may want to reword section so it talks to a requestor of the service.</p> <p>References to the Foreign Assistance Act should be followed by ",as amended" whenever used: specifically C2.1.2.4.1. there may be other sections where it was cited as well.</p> <p>C2.12 and C2.13 - Addresses Army and Navy Exchange Pricing Process - shouldn't Air Force be addressed as well?</p>	<p>FPRC modified language to cite DFAS SCA responsibility according to DoD 7000.14R, Volume 15, Chapter 6.</p> <p>Forward to DLA, but left as is for now.</p> <p>Changed to "requestor of service"</p> <p>Applied</p> <p>No the Army and Navy exchange pricing processes were added by specific ADCs.</p>
4.	Army (USASAC)	488	<p>Pg C1-2, Table C1.T1 Supplemental Instructions for USAF should indicate DFAS Indy Center in lieu of DFAS Denver Center</p> <p>AP2.1-1 DI Code FAE is duplicated. The second DI Code should be FAF with the TITLE of "Follow-up on Request for Adjustment of Non-Fuel Billing".</p> <p>AP2.10-1 Team questioned the Code "L"... and the Bill-To "Addressee designated by the fund code". We have had problems in the past where the Signal Code "L" was not paired with OUR Fund Code "YY" and interfund bills were misrouted.</p>	<p>Applied</p> <p>Applied</p> <p>Noted.</p>

	Originator	PDC	Response/Comment	Resolution
			<p>The Ship-To/From "Supplementary Addressee, pos 45-50" should also be matched to OUR address W25P02.</p> <p>A general comment was made that most of the proposed changes need to be reviewed/approved by DFAS personnel since many of the Chapters address DFAS functions.</p>	DFAS is included in reviews.
5.	Marine Corps	488	Headquarters Marine Corps has reviewed the subject PDC and concurs as written.	Noted.
6.		493	Headquarters Marine Corps has reviewed the subject PDC and concurs as written.	Noted.
7.	DFAS	488	<p>Based off the requisitioning fund code the LOA will get crosswalked. If the fund code is not listed in the crosswalk it then gets defaulted to the agency's line of accounting.</p> <p>-C*, E*, L*, U* DODAACS non-interfund versus service/agency default -S*,T* DODAACS shows default of 97*0100 5100 (which is no longer valid) versus 97X4930 5999 -H* DODAACS show 97*0100 (no limit?) versus bill non-interfund.</p> <p>AP 2.2 <http://www2.dla.mil/j-6/dlms0/elibrary/manuals/milsbills/ap2.asp> Contractor (C,E,L,Q,U Not applicable, noninterfund NonDoD (G,Z,HX,Numeric) Not applicable, noninterfund Army (A,W) 21*2020 Air Force (D,F) 57*3400 Navy (N,P,R,V) 17*1804 Marine Corps (K,M 17*1106 Defense Logistics Agency (S,T) 97*0100.5100 Other Defense Agency (H) 97*0100 None of the above 97*0100</p> <p>AP 1.1 BILLED SERVICE CODE = A,C,W (ARMY) - OTHERWISE 21*2020 BILLED SERVICE CODE = D,E,F (AIR FORCE) - OTHERWISE 57*3400 BILLED SERVICE CODE = H (OTHER DEFENSE AGENCIES) - OTHERWISE BILL VIA NONINTERFUND</p>	Corrected. Brought in line with ADC 294.

	Originator	PDC	Response/Comment	Resolution
			BILLED SERVICE CODE = K (MARINE CORPS) - OTHERWISE17*1106 BILLED SERVICE CODE = L,M (MARINE CORPS) - OTHERWISE17*1106 BILLED SERVICE CODE = N (NAVY) - OTHERWISE17*1804 BILLED SERVICE CODE = P (NAVY) - OTHERWISE17*1804 BILLED SERVICE CODE = R (NAVY) - OTHERWISE17*1804 BILLED SERVICE CODE = S,T,U (DLA) - OTHERWISE97X49305999 BILLED SERVICE CODE = V (NAVY) - OTHERWISE17*1804	
8.	DLA Finance	491	<p>All,</p> <p>The Air force , Marines ,Coast Guard and various NON-DOD DODAAC's receive roll- up billing under prime vendor and FF&V Long Term contracts thru STORES Troop Support FF&V billing is handle like prime vendor bills</p> <p>Schools is the only program going thru FFAVORS Schools bills are either billed Federal supplementary (1233HV) and State schools billed supplementary address (08****)</p> <p>As discussed, because all non-school FF&V orders are now done through STORES, the statement below about optional billing procedures is no longer valid. Those orders now follow the STORES interface into EBS, and therefore are billed using the same procedures in effect for all other Prime Vendor/Market Fresh items. The only FF&V orders that still use the FFAVORS interface are the orders from the USDA School Lunch program and Indian reservation customers. Those customers do not require this billing option. (John Graybill)</p> <p>C2.8.2. Optional FF&V No longer used</p>	Section permitting the FF&V billing option removed.
9.	DLA Transaction Services	493	<p>Para C4.1.1.4 - 470000 is not a valid DoDAAC ?</p> <p>Para C4.3.1.2 - don't believe that daashelp@daas.dla.mil is correct url ? should read daashelp@dla.mil</p>	Corrected GSA provided DoDAAC for the GSA National Customer Service Center. Updated email address for DAAS Help.

	Originator	PDC	Response/Comment	Resolution
10		491	Para C.2.2.4.2 - DoDAAC FA2303 shown for Air Force security Assistance "Bill To" DoDAAC is incorrect. It should read FG2303.	Applied.
11	FPRC Chair	491	<p>Incorporate the language from FMR requiring interfund billing into section C2.2.3. for the Method of Billing:</p> <p>(Extracted from “DoD 7000.14-R, Volume 4, Chapter 3 Receivables, Paragraph 030504.B”)</p> <p>“B. Bills arising from transactions which contain a National Stock Number within the DoD will be collected through the Military Standard Billing System (MILBILLS) interfund billing procedures when supported by the supply and accounting systems. The provider will not accept a MIPR if interfund can be used. Manual billing (i.e., the XP fund code) will not be used unless approved by the Deputy Chief Financial Officer. For intragovernmental interfund disputes, follow the dispute process outlined in DoD Manual 4000.25-7, Chapter 4.”</p>	Applied.
12	FPRC Chair	488	<p>Revisit ADC 294 which modified MILSBILLS Chapter 5 to send the Statements of Interfund Transactions to Treasury instead of OSD. Refer to recent discussions between DoD Interfund parties and Treasury for background (Topic 12.c. of the November 2011 Finance PRC).</p> <p>Also, Seller Interfund Report from seller to seller CAO may be the Statement of Interfund Transactions (DD 1400) and that step 7, Statement of Transactions from Seller CAO to Treasury may be the Statement of Transactions (SF 1220). Also from our internal discussions, it appears that the Statement of Accountability (SF 1219) is not applicable to Interfund Transactions. DFAS, please review and confirm.</p>	<p>Inserted DFAS-CL provided language to reflect Navy waiver to continue using suspense accounts</p> <p>Being worked through as part of SIBAC/IPAC discussions with Treasury.</p>
13	Air Force	491	<p>ADC 491, Enclosure 2</p> <p>1) [Page 11] (DLMS C2.2.3.2) FPRC reps are asked to validate how it is possible to accept orders without a Bill To party identified. SAF/FMP AFAFO...GOOD QUESTION, NO IDEA? I DID NOT SEE THIS EXPRESSED IN ADC491</p>	Noted. Language tweaked by 11/16/2011 FPRC meeting consensus

493	<p>ADC 493, Enclosure 2</p> <p>1) [Page 5] (DLMS C4.1.5.3.) Component comment requested. Note changes in proposed language. Component comment requested regarding adoption of the MILSBILLS simple statement on minimum values. SAF/FMP AFAFO CONCUR</p> <p>2) [Page 6] (DLMS C4.3.1.) Note differences in follow-up dates. Component comments requested. SAF/FMP AFAFO WOULD CHANGE THIS TO 30 AND 15 DAYS REPECTIVELY</p> <p>3) [Page 7] (DLMS C4.3.3.) Note differences in follow-up dates. Component comments requested. SAF/FMP AFAFO WOULD CHANGE THIS TO 15</p> <p>4) [Page 8] (DLMS C4.4.2.) Note differences in follow-up dates. Component comments requested. SAF/FMP AFAFO CONCUR</p> <p>5) [Page 12] (DLMS C4.8.3.) Component comment requested regarding maintaining this bill reversal process. SAF/FMP AFAFO DEFER THIS TO DFAS</p> <p>6) [Page 17] (DLMS C4.10.2.1./MILSBILLS C4.2.7.5.) Note differences in follow-up dates. Component comments requested. SAF/FMP AFAFO CONCUR</p> <p>7) [Page 21] (C4.2.6.2.2.) FPRC reps are asked to validate how this is possible. (See related issue and request for comment in PDC 491, Enclosure 2, Page 11.) SAF/FMP AFAFO HAS NO IDEA WHAT THIS IS SAYING...DFAS, CAN YOU COMMENT ON THIS ONE?</p> <p>8) [Page 27] Request components comment on the proper requirement for the whom the billing manager is to contact for arranging the return. (Second sentence of C4.12.3 from DoD 4000.25-M, Volume 5 vs. C4.2.8.3. from MILSBILLS.) Need to apply one or the other. SAF/FMP AFAFO DEFER THIS TO DFAS</p>	<p>Noted. 11/16/2011 FPRC meeting settled on DLMS language as good enough.</p> <p>Noted. FPRC consensus was for 14 days for both.</p> <p>Noted. FPRC consensus was for 30 days.</p> <p>Noted. FPRC consensus was for 13 days to match agreement on requests.</p> <p>Noted.</p> <p>Noted. FPRC consensus concurred.</p> <p>Noted. No change.</p> <p>Noted. FPRC consensus was for the MILSBILLS language.</p>
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