DLMSO

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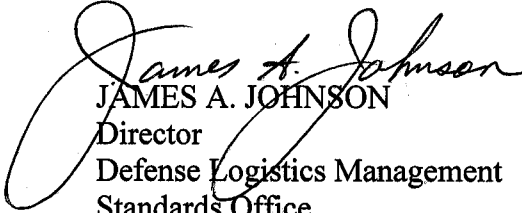
July 25, 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Defense Logistics Management System (DLMS) Finance Process
Review Committee (PRC) Meeting (July 13 and 14, 2005)

The attached minutes of the July 13 and 14, 2005, Finance PRC Meeting are
forwarded for your information and appropriate action. The next Finance PRC meeting is
scheduled for November 14-18, 2005, at Fort Belvoir, Virginia. The Defense Logistics
Management Standards Office point of contact is Ms. Maria Velez, 703-767-5110,
e-mail maria.velez@dla.mil.

JAMES A. JOHNSON
Director
Defense Logistics Management
Standards Office

Attachment

DISTRIBUTION:
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Finance PRC Representatives

July 18, 2005

MEMORANDUM FOR RECORD

SUBJECT: Minutes of the Defense Logistics Management Standards (DLMS) Finance
Process Review Committee (PRC) Meeting, July 13-14, 2005

PURPOSE: The DLMS Finance PRC convened in room 4501, McNamara
Building (HQDLA), Fort Belvoir, Virginia, on July 13 and 14, 2005. The PRC met to
discuss Military Standard Billing System (MILSBILLS) issues, those related issues
raised by PRC members, and other PRC matters. These minutes provide a record of the
meeting, the issues discussed and any associated action. The next scheduled meeting is
planned for November 2005, and the specific dates will be announced on the PRC Web
site when the meeting arrangements are finalized. The minutes of the July meeting will
be posted (when approved) on the Finance PRC Web page at the following web address:
http://www.dla.mil/j-6/dlmso/Programs/Committees/Finance/financeprc.asp .

DISCUSSION SUMMARY:

a. **Welcome.** The meeting was convened by the Finance PRC Chair, Ms. Maria
Velez. Ms. Velez welcomed the members in attendance and thanked them for their
participation. The agenda was presented and reviewed, and introductions were made by
the members in attendance. A list of attendees at the Finance PRC meeting is provided at
Enclosure 1.

b. **Cross-issuing DODAACs by the Services.** The issue refers to the "cross-
issuing" of DODAACs by one service to another service's agency or unit service, and
outside of the normal process. There is a Central Service Point (CSP) for each service,
which issues DODAACs upon proper request from the service's unit or agency. The
DODAAC approval process is based on each CSP processing requests for their respective
service. The "cross-issue" may have been done for a temporary period or emergency
reasons, but it has complicated the billing process. This creates erroneous bills and
incorrect billing records, difficulty in directing a correction or completing a proper
payment. The respective CSP should use those controls already available to eliminate
incorrectly issued DODAACs and to disapprove incorrectly requested ones. Ms. Scott,
Air Force (AF) representative, described the approval process already in use, which
includes checking with the service's Finance and Logistics representatives before
processing requests for new DODAACs. Ms. Schaffer, Defense Finance Accounting
Service (DFAS)-Columbus, recommended including a provision for processing
"emergency" DODAAC issuance as well. Further discussion centered on the suggestion
to reemphasize to the CSPs the current guidance and restrictions on DODAAC issuance.

Mr. Carter (DLMSO DODAAC representative) mentioned that the DODAAC Manual is undergoing rewrite, so any suggested input on this subject will be welcome. Mr. Kerby (DLA) suggested that a process flow example of the request and approval process in the new DOD memo could be helpful as well.

ACTION: DLMSO will publish a revised DODAAC Manual this year, with an emphasis regarding the key role of the CSP in managing and approving each service's request for a new or revised DODAAC. PRC members should coordinate with their service's CSP for resolution of any erroneous DODAACs, and to suggest any additions or changes to the pending revision to the DODAAC Manual.

c. Proposal to add DODAAC F59902 to the ADC 110. This proposal was originated by Ms. Scott, DFAS-Denver. The Air Force added a special revision in order to accept this DODAAC. This DODAAC belongs to the Pentagon. The Pentagon can requisition through MILSTRIP but they cannot process interfund billings. DFAS now has to flag it and block it. However, there are requisitions that will pass even though they are flagged. In order to solve this, it was suggested to standardize the process for issuing DODAACs by the AF and this will stop the cross issuing of DODAACs. This DODAAC is a special rule DODAAC that needs to be added to ADC 110. Others will be added as they become known.

ACTION. Ms. Scott, DFAS-Denver, will submit a change to ADC 110, not later than August 19, 2005.

d. Issue About Defense Automatic Addressing System Center (DAASC) Processing of AF Business Partner Numbers (BPN). The AF member requested a change to MILSBILLS to reject interfund bills when the "Bill-To" office DODAAC is a BPN. BPNs have 9 digits, consisting of the DODAAC preceded by the letters DOD. The DODAAC forms the basics of the BPN. The first position is a logistics code; therefore, it is identified by the logistics system in order to create an interfund bill. BPNs only identify a buyer or a seller, they do not have a TAC 2 nor TAC 3 address. BPNs are in DAASC because it uses the Air Force system.

ACTION: Ms. Scott, DFAS-Denver, will issue an emergency change request to correct BPN issues by blocking them from use in requisitions as the Ship To or Bill To. This action has a deadline of August 3, 2005. Additionally, Mr. Carter, DLMSO, will organize a meeting to discuss BPN/DODAAC issues and will provide us the information on the meeting by August 3, 2005.

e. Request to Establish New DOC ID for Credit Bills for Product Quality Deficiencies Reports (PQDR). A proposal was presented by Mr. M. Johnson (Naval Supply HQ) to create a new document identification number for credit bills issued specifically for PQDRs. This proposal is in response to a recommendation from a Process Improvement Working Group under the oversight of ASN (RD&A). The recommended change is expected to provide visibility, traceability and measurement of credits authorized and granted. It also will allow verification and resolution of the associated financial accounts. Ms. E. Hilert, DLMSO, provided information about bill-

type codes that already exist and that may provide the needed identification. If the required code is not available, then such a code could be added to the current list. Ms. Hilert's recommendation is that the proposal should be rewritten to request a specific code for this program, staff it as a change from the service, and send it to the Finance PRC Chair. The request will be coordinated by DLMSO and upon approval would likely be published as a new authorized code for new information systems, or as a change required for any upgrades made to legacy systems.

ACTION. Mr. Johnson, NAVSUP-HQ, will modify and resubmit the System Change Request. The Finance PRC Chair, Ms. Velez, will process the request for a PQDR code once the request has been received by DLMSO.

f. System Change Request (SCR) for Intra-governmental Transactions (IGT). DLMS Change (ADC) 143, Fund Code and Other DLMS Support for Intra-governmental Transactions was published in December 2004 to support expected changes related to IGTs. Since that time a number of things have changed regarding the IGTs implementation that may impact ADC 143. Mr. Powers, DFAS-Arlington, advised the PRC that most of the planned changes were deferred to 2007. The focus now is on internal business process reengineering initiatives with little external impact. The members discussed any remaining changes that may still be beneficial even without the impact of IGTs. An update of the appropriation tables was suggested as the next step.

ACTION: Mr. Powers, DFAS-Arlington, will provide a list of DFAS POCs and the update of appropriation tables by August 30, 2005.

g. Foreign Military Sales (FMS) 8242 Limits. Discussion was based on the inability to add limits for FMS 8242 to the fund code supplement table because you would need to add a limit for every country in the location table and there are not enough two-digit fund codes left to accomplish this. For this matter and to ensure that proper posting occurs FIABS technicians are being instructed to use the buyer's service Treasury Limit. For example: .0001 for Army, .0002 for Air Force, and .0004 for Navy. PRC members agreed that although they don't know the long standing reasoning for this procedure, it works for all centers and should not be changed.

h. Summary Billing Records and Transfers Between Contract Administration Offices. The problem, as stated, stems from the way obligations are processed in Database Management System. Once again, DODAACs are not read properly among financial systems. When this occurs, someone has to reverse the detail portion, another person has to reverse summary records and this process becomes difficult and costly to resolve. The problem will be resolved once the new fund code table and appropriation codes are updated.

ACTION: Ms. Velez, DLMSO, will revise and resubmit changes for new fund and appropriation codes for ADC 143, prior to August 30, 2005.

i. Proposed DAAS Payment Address. The Type Address Code 3 addresses have been changed by some contracting offices and processed by bypassing proper

channels. This creates an accounting problem because a number of transactions are not citing the proper payment office.

ACTION. Ms. Velez, DLMSO, will contact key contracting office personnel in order to discuss this issue and develop ways of enforcing the rules on the proper use of DODAACs and the associated regulations. This action should take place prior to August 30, 2005.
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     j. X12/XML Update. Mr. Bailey, DLMSO, provided an update on DOD actions to promote standard X12/XML practices for transactions throughout the Logistics Community. DLMS XML Schemas are available and can be used now. DAASC has the ability to translate legacy transactions (MILS/DLSS) to DLMS XML. The current industry standard is evolving to a new XML standard called Context Inspired Component Architecture (CICA), and DOD is working with the ASC X12 committee to ensure early awareness of any new changes. This strategy will ensure transparent translation, compatible standards and interoperability between DLMS XML and CICA DLMS XML in the future. Members of the Finance PRC asked for an update on new developments at the next meeting of the PRC in November. Ms. Scott, DFAS Mils Conversion point of contact, will pursue attendance at future CICA meetings.

ACTION: DLMSO will provide an update to the members at the next Finance PRC meeting.

     k. Meeting Wrap-Up and Schedules. The next meeting of the Finance PRC is tentatively scheduled for November with the exact dates to be announced. The dates under consideration are November 14 through November 18, 2005. With no further business proposed, the meeting was adjourned.

                          APPROVE:

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Maria Velez   JAMES A. JOHNSON
Finance PRC Chair   Director
                                  Defense Logistics Management
                                  Standards Office

Enclosure