

CHAPTER 6

DESTINATION ACCEPTANCE REPORTING

A. GENERAL

1. This chapter provides standard procedures for the receiving activity to report acceptance of material at destination. This procedure does not apply to contracts specifying acceptance at origin. The provisions of this chapter apply only to contracts assigned to the Defense Finance and Accounting Service (DFAS) for payment. Use of this procedure by all elements of DoD is recommended even when contracts are not assigned for field administration. Activities performing acceptance at destination will prepare and transmit an A/R, see appendix C14, whenever a DFAS is indicated in the "Payment Will Be Made By" block of the DD Form **250** or the DD Form 1155.

2. This procedure also provides for initial A/A, see appendix C13, and subsequent followup requests for A/Rs to be sent to the destination by the DFAS.

3. Purchase orders which contain fast pay provisions (see FAR, subpart 13.3) are exempt from the destination acceptance reporting provisions of this chapter. Neither inspection nor acceptance documentation is required to support payment of invoices under fast pay procedures.

B. FLOW OF DOCUMENTS

The A/A flows from the DFAS to the Defense Automatic Addressing System (DAAS) for further routing to the acceptance point when acceptance is at other than the origin. The A/R flows from the acceptance activity to the DAAS for further routing to the DFAS.

c. DELIVERY DATE

1. The A/R contains a field for reporting the date of delivery (record position (rp) 73-79). This date will be used in determining the contractor's performance under the contract. The date to be entered in this field is the date that the supplies are physically delivered to the

address of the Ship-To identity code shown in the contract delivery schedule.

2. In the event that the supplies are offered for delivery and the consignee is unable to receive them on the day offered, the supplies will be considered to have been delivered on the day offered if they are found to be acceptable when received. The date offered will be reported as the date delivered. This does not apply when supplies are offered for delivery in advance of the contract delivery schedule and the contract prohibits acceleration of deliveries by the contractor.

3. In the event that supplies documented as a single shipment on the DD Form 250 or the DD Form 1155 are delivered as partial transportation units, the A/R will be prepared when each transportation unit of the line shipped is delivered. The date of delivery will be the date that each transportation unit is delivered.

D. ACCEPTANCE ALERT

1. The A/A is the means by which the CAO notifies the Ship-To addressees of the shipment of material requiring acceptance at destination. The A/A is designed to facilitate preparation of the A/R. The A/A will also be used as a followup on a delinquent A/R or as a request for retransmission of an A/R. An A/A will not be sent to the destination by the CAO if an A/R has already been received by the CAO.

2. Liquidated Damages Clause - The A/A will contain a Special Contract Provisions code A (see appendix All) to indicate the presence of the liquidated damages clause in a contract. Priority will be given to acceptance of deliveries under such contracts because of the urgent need for the supplies.

3. Cash Discounts - The A/A will contain a Cash Discount Stipulation code D (see appendix A27) to indicate the provisions for cash discounts in a contract. Priority will be given to inspection and/or acceptance of deliveries under such contracts to preclude the loss of discounts.

4. Time Standards - An A/A for each item shipped must be forwarded to the Ship-To addressee within 1 workday after receipt of the DD Form 250 or the DD Form 1155 by the CAO. In no case, however, will an A/A be generated when the shipment date is more than 30 days past. In such cases, a written document (letter or teletype message) must be used.

5. Preparation of Acceptance Alerts - A separate A/A will be prepared for each CLIN/ELIN on the shipping document in accordance with the format and instructions at appendix C13.

6. Control Elements - The following fields represent control elements for relating A/As and A/Rs, and for discretely identifying one A/A from another:

PIIN
Call/Order Number
Ship-To Identity
Contractor Shipment Number
Contractor Shipment Number Suffix
ELIN or CLIN

E. ACCEPTANCE REPORT

1. The A/R is the means by which the DFAS disbursing officer is notified that acceptance has been accomplished at destination and of the quantities accepted.

a. Because inspection is a prerequisite to acceptance, the forwarding of an A/R indicates that inspection has been accomplished either at source or at destination. The A/R replaces the acceptance copy of the DD Form 250 or DD Form 1155 for the DFAS disbursing officer. A signed copy of the acceptance document will not be mailed to the DFAS office.

b. To ensure that it does not issue fraudulent PKN or PKP transactions, the receiving activity is responsible for ensuring that its data system complies with the internal control requirements of chapter 14 of the DoD Accounting Manual. These requirements apply to electronic data systems that are used in lieu of signed hard copy documents.

2. Retention of Acceptance Documents - No routine external distribution of the DD Form 250 or the DD Form 1155 will be made by the accepting activity. A signed copy of the acceptance document will be retained in the files of the accepting activity. These documents will be retained in support of the A/R in accordance with contract records retention plans currently being employed by each Service/Agency.

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3. Nonreceipt or Late Receipt of A/A - In the event that supplies are received and accepted prior to the receipt of the A/A, the accepting activity will prepare the A/R using DI code PKP. Preparation and forwarding of the A/R will not be held in abeyance pending receipt of an A/A. If an A/A is received after an A/R has already been transmitted, no action is required.

4. Quantity Discrepancies - The A/R provides for reporting both the quantity documented on the DD Form 250 or the DD Form 1155 as shipped and the quantity accepted by the Government representative. The major reason for the difference is coded in the A/R as information for the CAO.

5. Interim Acceptance Report - Interim reports are submitted under the following conditions:

a. Acceptance Delayed - In the event that inspection and/or acceptance at destination requires extensive testing or other prolonged processes, an interim A/R will be forwarded with an estimated date of acceptance. An X-overpunch will be entered in position 66. The Quantity Accepted field will be zero filled. The Transaction Status Indicator code D will be used to indicate this is an interim report. The normal A/R will be forwarded upon completion of the acceptance.

b. Undelivered - Upon receipt of a followup request prior to the material being delivered, an interim A/R will be forwarded- The Quantity Accepted field will be zero filled and Acceptance Date field will be left blank. Enter an X-overpunch in position 66. The Shipment Acceptance Discrepancy Explanation code U will be assigned. The Transaction Status Indicator code D will be used to indicate this is an interim report.

6. Time Standards - The A/R will be forwarded to DFAS within 5 workdays after date of delivery.

7. Preparation of Acceptance Report - A separate A/R will be prepared for each exhibit/contract line item on the shipping document (DD Form 250 or DD Form 1155). The A/R will be prepared in accordance with the format and instructions at appendix C14.

8. Control Elements - The following fields represent control elements for relating A/As and A/Rs, and for discretely identifying one A/R from another:

PIIN
Call/Order Number
Ship-To Identity
Contractor Shipment Number
Contractor Shipment Number Suffix
ELIN or CLIN

F. FOLLOWUP

1. Followup Request - The DFAS will forward a followup to the Ship-To addressee when an A/R has not been received within a reasonable length of time. A reasonable length of time will be determined by adding to the date of shipment the normal delivery time to the destination by the mode of transportation and 7 workdays for accepting the material and forwarding the A/R. A followup will be identified in the Transaction Status Indicator field with a code "1" for the first followup and a code "2" for the second followup. Subsequent followups (if necessary) will be in the form of a narrative teletype message that will be transmitted from the DFAS to the communication center at the designated acceptance activity. The teletype message will cite the basic information contained in the initial A/A record and, in addition, will contain a short narrative in regard to the acceptance responsibility.

2. Followup Reply - When an A/R is submitted subsequent to the receipt of a followup, the report will contain the appropriate Transaction Status Indicator code A or D in position 80, as follows:

- a. If the reply is an interim A/R, enter code D.
- b. If the reply is not interim but acceptance has been reported previously or is being reported initially, enter code A.

3. Preparation of Followups - Followups will be prepared in accordance with the format and instructions at appendix C13.

G. CANCELLATIONS AND CORRECTIONS

1. Conditions may arise that necessitate the cancellation of an A/R . When cancellation is necessary, this will be accomplished by transmitting the original formats to be canceled modified by adding an X-overpunch over the decade position of year in the PIIN. Incorrect A/As will not be canceled.

2. A corrected A/R will be prepared in the appropriate format and will contain Transaction Status Indicator code C in position 80 (see appendix A22) .

3. The DFAS may request retransmission of an A/R by preparing an A/A with Transaction Status Indicator code E in position 80. The receiving activity will prepare a new A/R from the source document and forward to the DFAS. This report will contain Transaction Status Indicator code C. If a further error still exists, the DFAS will communicate by message or telephone to resolve the error.

H. EXEMPTIONS/EXCLUSIONS

Air Force acceptance activities are exempted from receipt of A/As (DI Code PK5) and follow-on preparation of A/Rs (DI Code PKN or PKP). The DFAS sends a teletype message to the Air Force receiving activities and the Air Force sends an acceptance DD Form 250 to the DFAS.