

CHAPTER 2

BILLING PROCEDURES

A. BILLING POLICIES

DoD 7420.13-R (reference (f)), DoD Directive 7220.9 (reference (g)), and DoD Instruction 7420.12 (reference (h)) provide the DoD policies governing procedures in this chapter.

B. CRITERIA FOR BILLING

1. Shipments from Stock. Billings will be effected on the basis of drop from inventory, provided that notification of warehouse refusal or other advice of **nonavai** lability has not been received by the inventory control point within seven calendar days of drop from inventory. Exceptions are as follows:

a. Billings for foreign military sales and military assistance program shipments will be effected upon constructive delivery.

b. Billings for bulk POL shipments under mode/method codes 2, 8, W, and Z will be effected upon receipt notification provided that such notification has been received by the billing office within 15 days of the date of delivery; otherwise, billing will be effected upon notice of shipment or issue.

c. Billings for perishable subsistence chill and freeze items will be effected upon drop from inventory. Billings for fresh fruits and vegetables **will** be effected upon receipt of an issue transaction from a Defense Subsistence Office.

d. MAP sales requisitioned under authority of Section 506 of the Foreign Assistance Act (**FMS/MAP** Type of Assistance Code "C") may not be billed until funds are appropriated. 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 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** stocks are not authorized.

2. Direct Deliveries of Materiel from Contractors. When an inventory manager is out of stock, does not carry an item or otherwise requests direct delivery of materiel from a vendor, the billing will 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 **will** be billed based upon the issue transaction if the notification is not received by the inventory manager within 15 days of the date of issue.

C. PREPARATION OF BILLS

1. General

a. Bills will be prepared within 30 days of the criteria provided in section B and will identify each shipment or delivery.

b. When **unbilled** item(s) for one DoD customer total less than \$100, billing for the item(s) may be suspended until such time as the total of the **unbilled** items equals or exceeds **\$100**; except that all unbilled item(s), regardless of **value**, will be **billed** at the **end of** a fiscal year quarter (December 31, March 31, June 30, or September 30) or whenever a credit billing **line** is involved.

2. Method of Billing.

a. Billings to DoD offices will be under interfund procedures except as provided below.

b. Billing will be under noninterfund procedures when:

(1) the bill-to office is **non-DoD** (bill-to service code is numeric, G, or Z),

(2) the bill-to office is an Army, or Navy contractor (bill-to service code is C or Q),

(3) the bill-to office is DoD (bill-to service code is alpha other than C, G, Q, or Z) and the fund code requires **noninter-**fund billing, and

(4) the bill-to office is an other DoD Component and the fund code is not listed in the other defense agencies ("A") appendix of the supplement.

3. Determining Billed Offices

a. Billed offices will be assigned in accordance with the signal code cited on the requisition, report of excess, etc. When the signal code is C or L, the billed office is assigned by converting the fund code to a **billed** DODAAC. The B series appendices of the supplement (reference (b)) provide appendices to be used, in conjunction with the service or agency code of the requisitioning DODAAC, to convert fund codes to billed DODAACs.

b. Whenever the coding or other information provided on a requisition, report of excess, or similar document does not designate a billed office DoDAAC or designates a **DODAAC** not currently published in the DODAAD (reference (e)), the requisitioning, excess **reporting**,

r activity submitting the document will be designated as the billed office. For IL requisitions, the requisitioning control office (Army/W25P02, Navy/N65916, and Air Force/FA2303) will be assigned as the billed office.

c. The mailing address for **noninterfund** bills will be the clear text address prescribed for billing (TAC 3, if assigned; otherwise, TAC 1) in the DoDAAD and the routing for interfund bills will be based on the same criterion.

4. Nonreimbursable Bills

a. Except for the provisions of subparagraph c. below, materiel issued under **nonreimbursable** procedures will be reported to the billed office using the DI Code FE_ series format.

b. DoD 7220.9-M (reference (i)) provides that if the amount of billings for any one customer is less than \$100 at the end of a fiscal year quarter the billing may be waived. Working capital funds and the Corps of Engineers civil works funds must not waive reimbursement of any amount.

c. GSA sometimes, at its discretion, processes requisitions of \$1 or less without billing. Therefore, any DoD Component having such items **unbilled** 60 days after receipt of materiel may assume that they will not be billed and cancel the obligation accordingly.

5. Interfund Bills

a. Interfund bills will be transmitted to the offices billed no later than the fifth working day of the month following the month in which reimbursement is credited to the account of the billing office. Transmission to the offices **billed** will be by **AUTODIN** when available. When billings are transmitted directly to the billed office by AUTODIN, "text" or "header" records will designate the internal routing, e.g., "For Accounting and Finance Officer." When billings are transmitted to DAASO (COMM RI RUEOZZA) for routing to the billed office "text" or "header" records are not needed. When AUTODIN is not used, interpreted (printed) billing records will be mailed to the billed office.

b. Separate detail billing records, selected from the "B" series appendices, will be prepared for each shipment or delivery supporting the summary billing record.

c. With the exception of FMS2 requisitions, the A series appendices of the supplement (reference (b)) provide appendices to be used, in conjunction with the Service/Agency code of the billed

¹Billing offices have until 1 Nov 89 to implement this provision.
²See definitions and terms.

DoDAAC, to convert fund codes to appropriations. When a requisition cites an invalid fund code but is identified as **FMS-funded**, the FMS trust account will be charged. In addition, the FMS country code will **be** entered in the summary billing record of all FMS bills.

d. A separate interfund **bill** will be prepared for billings applicable to a given billed office for each appropriation and fund code within appropriation or when the sum of the detail billing records equals or exceeds 10 million dollars. A summary billing record may not summarize more than 494 detail billing records.

6. Noninterfund Bills.

a. SF 1080, "Voucher for Transfers between Appropriations and/or Funds" (figure 2-1) or other form approved by Treasury, such as GSA Form 789, "Statement, Voucher and Schedule of Withdrawals and Credits" (figure 2-3), will be used as the billing document for **non-interfund** bills. A computerized version (figure 2-2) of the SF 1080, the SF 1080-EDP, is also available.

b. An original and two copies of the **noninterfund** billing will be provided to the office billed. If an identification or bill number is used, only an original and one copy will be sent.

c. **Noninterfund** billings will be supported by the following minimum information: document order number, article or services, delivery 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 date is the same as the day of year prescribed for the detail billing record appropriate for the issue. Billing offices need not provide EAM cards in the format prescribed in the B series appendices.

d. The procedures described in this section are based upon procedures prescribed by the Department of Treasury in chapter 2500 of the Treasury Financial Manual (reference (j)).

D. RETAIL LOSS ALLOWANCE

1. DoD 7420.13-R (reference (f)) requires the DLA Defense Stock Fund and other wholesale stock funds, as appropriate, to include an additional surcharge factor in their standard prices to compensate the fund for retail stock normal operating losses.

2. When a retail loss allowance surcharge is included in **the** standard price of commodities under the integrated management of a DoD Component, a retail loss allowance will be applied as a reduction to the net materiel charges included in the billing for items of those commodities. The allowance is applied at a rate which is equivalent to the retail loss surcharge factor included in the standard price of the materiel commodity. The allowance will be supported by a billing record in the **DI** Code FL_ series format.

GSA FORM 789

GENERAL SERVICES ADMINISTRATION
STATEMENT, VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS

CHARGE AND CREDIT WILL BE REPORTED ON CUSTOMER AGENCY
STATEMENT OF TRANSACTIONS FOR ACCOUNTING PERIOD ENDING#

BILLING DATE
08/31/86

CUSTOMER AGENCY

BILLING AGENCY

CUSTOMER AGENCY VOUCHER NO.
AGENCY LOCATION CODE (at)
BILLED OFFICE CODE H26JIR AGENCY BUREAU 2100

BILLING AGENCY VOUCHER NO. E0615924
AGENCY LOCATION CODE 47-00-0016

DEPARTMENT# USAQTEA
ADDRESS # ROOM 408
5600 COLUMBIA PIKE
FALLS CHURCH VA 22041

DEPARTMENT# GENERAL SERVICES ADMINISTRATION
ADDRESS # REGION 6 RECEIVABLE
P.O. BOX 73221
CHICAGO, IL. 60673

APPROPRIATION OR FUND	SUMMARY AMOUNT	APPROPRIATION OR FUND	SUMMARY AMOUNT
		47F3875.6	255X 42.00
TOTAL		TOTAL	42.00

DETAILS OF CHARGES OR REFERENCE TO ATTACHED SUPPORTING DOCUMENTS#

SEE ATTACHED GSA FORM
SINGLE LINE ITEM BILLING REGISTER, FOR SUPPLIES PURCHASES

PAYING OFFICE CONTACT#
PROCESSED BY

TELEPHONE NO.

BILLING AGENCY CONTACT# PREPARED BY ACCOUNTS
RECEIVABLE BRANCH TELEPHONE NO. 816-926-7037

CERTIFICATION OF CUSTOMER OFFICE

I CERTIFY THAT THE ITEMS LISTED HEREIN ARE CORRECT AND PROPER FOR PAYMENT FROM AND TO THE
APPROPRIATION(S) DESIGNATED.

DATE

TELEPHONE NO.

AUTHORIZED ADMINISTRATIVE OR CERTIFYING OFFICER

END OF BILL NUMBER E0615924 DATED 08/31/86

Figure 2-3. Sample GSA Form 789

3. Retail loss allowances are not provided on sales to foreign, state, municipal **governments/private parties**, or nonappropriated activities. Retail loss allowances are not provided on into-plane sales.

E. INTO-PLANE FUEL SALES. 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.

1. Reimbursable issues (sales) of fuel into DoD planes by DoD activities will be billed at the standard price in effect at the time of issue.

2. Contractor into-plane fuel issue will be billed at the standard price applicable to each such issue.

3. Billing offices for stock funds will grant credit for DoD aircraft **defueling** based on supply **defueling** slips at stock fund prices.

4. Credits will be given for contractor into-plane **defueling** of DoD aircraft based on a **defueling** slip at the standard price given for each **defueling**.

5. Into-plane **fuel billings will be in** the **DI Code FP_** format.

6. Bills for into-plane issues of aviation gasoline, or for aircraft **defuelings**, which are not identifiable to a Service activity will be mailed, along with legible copies of the supporting **DD** Forms 1898, to the applicable control point identified **below**:

a. Army (all Army Service/Agency codes):

Commander
U.S. Army Finance and Accounting Center
ATTN: **FINCO-C**
Indianapolis, IN 46249-0001

b. Navy and Marine Corps

(1) For bill-to Service/Agency code R:

Commanding Officer
Fleet Accounting and Disbursing Center
U.S. Pacific Fleet
937 North Harbor Drive
San Diego, CA 92101-5801

- (2) For bill-to Service/Agency code V:

Commanding Officer
Fleet Accounting and Disbursing Center,
U.S. Atlantic Fleet
Bldg. 132, Naval Station
Norfolk, VA 23593-5000

- (3) For other Navy or **Marine** bill-to Service/Agency codes:

Commander
Navy Accounting and Finance Center
Code **NAFC-521**
Washington, DC 20376-5001

- c. Air Force (all Air Force Service/Agency codes):

AFAFC/TCRC
Denver, CO 80279-5000

F. AUTOMOTIVE VEHICLES

GSA is authorized to use the interfund billing system to bill DoD activities for automotive vehicles purchased under a category one (reimbursable) **MIPR**. DoD activities submitting **MIPRs** must do so in accordance with paragraph 8.7008 of the DoD Supplement to the Federal Acquisition Regulation (reference (k)) which requires activities to provide **MILSTRIP** requisition data for each line item which is to be delivered to each ship to address. For purposes of identifying and validating charges, GSA will support interfund billings for automotive vehicles with a GSA Format 952, "Single Line Item Billing Register." The format (figure 2-4) will show, in addition to the information shown on the billing record, the last five digits of the **MIPR** number under the columns headed "DIST CD PROJ CD."

G. OPTIONAL BILLING PROCEDURE FOR FRESH FRUITS AND VEGETABLES

1. DoD Components and participating Agencies may elect to have DLA's Defense Personnel Support Center summarize billings for **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.

2. 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 prepared in the **DI** Code **FV1** or **FV2** format and will be forwarded to a predesignated central office in that Service or Agency. DLA will provide microfiche copies of the supporting detail billing records when requested.

GSA FUND 952		GENERAL SERVICES ADMINISTRATION				BILLED OFFICE		BILL NO: QY955	
DODDS GE RMANY SOC		REGIONAL OFFICE OF ADMINISTRATION				ADDRESS CODE: ME 1287		DATE: 11/8/04	
ACCOUNTING AND FINANCE OFFICE		SINGLE LINE ITEM BILLING REGISTER				AGENCY/BUREAU: 9700		PAGE NO: 1	
DEFENSE GENERAL SUPPLY CENTER						NEW YORK, N. Y.			
RICHMOND VA 23297									

WC	RTG	C	STOCK	OR	PART	UN	SUPPL	SIC	FNO	M	ADJ	BILL	D	E	L	UNIT	SELL	DIST	PRO	STR	GSA	DOC
10	10	c	NUMBER	1	SS	QUANT	DOCUMENT	NUMBER/SUF	ADDR	CO	CO	S	ALL	NO	DTE	EXTENDED	VAL	PRICE	CO	CO	SCH	NUMBER
			DIRECT DELIVERY																			
			AUTOMATED																			
			NON-STORES																			
FC1	ONO		7530-01-078-1945		BX	40	HE12874192	0002	HE2477	J	X	P				164.40		4.61				EM26861N
FC1	GNO		7520-01-078-1945		BX	6	HE12874228	0001	HE4436	J	X	P				27.66		4.61				EM91711N
FN1	GNO		EXP SURCHG		OBX	X	212.06	NE1267				XP				16.96						
FS1			TOTAL FUND CODE		XP							XP				228.02						3 LINE ITEMS
TOTAL BILLING																228.02						

Figure 2-4. Sample GSA Format 952

H. BILLING FOR ACCESSORIAL AND ADMINISTRATIVE COSTS

1. Method of Billing

a. Accessorial and administrative costs may be billed via interfund or **noninterfund**. However, to the extent practicable, billing will be accomplished in the same **manner** as the materiel.

b. **When billed** via interfund, accessorial and administrative costs billings will follow the procedures and formats prescribed for the charge.

2. DoD Shipments. DoD Instruction 7510.4, (reference (1)) provides the DoD policy for billing accessorial and administrative costs.

3. GSA Shipments. GSA will assess accessorial and **administrative** costs on shipments to DoD as indicated in this section.

a. Transportation

(1) Except as outlined in paragraph (2) below, GSA will pay transportation charges on stock items to:

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

(b) A U.S. port of embarkation for overseas destinations not included in (1) above.

(2) GSA will not pay transportation charges for shipments of **nonstock** items, purchased **f.o.b.** origin, to a CONUS destination or a U.S. port of embarkation. GSA will, however, prepay the transportation charges and bill the agency, as a separate item.

b. Packing, Packaging, and Preservation

(1) Charges will be assessed at the rate of six percent of the value of the materiel ordered and delivered with both **level "A" and level "B"** pack through GSA regions to DoD customers overseas except as otherwise specified in (2) below.

(2) Charges will not be assessed for materiel delivered with level **B** pack to customers located in Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands and the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island.

(3) Annually GSA will propose changes in the above rates based on **reviews of actual costs** for use throughout each fiscal year and advise the ASD(C) sufficiently in advance for appropriate program and budget planning.

(4) GSA surcharge or packing, packaging, and **preservation** for DoD Components **will** be assigned the same **bill** number as the related materiel.

c. Fund Code Charged. GSA billings for accessorial costs incurred, for supply items requisitioned by DoD activities will reflect the following fund codes (t denotes the FY within decade of the billing date):

<u>DoD Components</u>	<u>Assign Fund Code</u>
Army	t1 when the fund code in the related materiel billing designates account 21X4991 or 97X8242 ; otherwise, perpetuate the fund code from the materiel billing.
Navy	"XT".
Others	cited on the requisition.

I. BILLING FOR PROGRESS AND ADVANCE PAYMENTS

1. Progress Billings

a. 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 will use **DI Code FU1/2**. 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.

b. Billings made for progress payments will be based upon documentary evidence of satisfactory performance and will not exceed the amount of the customer order.

c. The billing office will offset bills for deliveries against all outstanding progress billings related to those deliveries. Billing records will be reported for both the full value of the shipment (i.e., **DI Code FA1**) and the amount of the progress billing being liquidated. The billing method elected for the progress payment will also be the method used to **bill** for the delivery.

d. 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.

2. Advance Billings

a. 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.

b. Advances received must be returned or applied to accounts receivable before the end of the fiscal year.

J. CORRECTION OF ERRONEOUS BILLINGS

When a billing office finds it has issued a bill containing one or more billing lines requiring correction in some way, it **will** reverse the erroneous charges or credits - and only such charges **or** credits - irrespective of dollar amount and include corrected charges or credits in a subsequent bill. The corrections will be processed as soon as it is practical and will not await customer requests for adjustments.

K. CANCELLATIONS

When an ICP determines that a requisition (and related **shipments**) has been **cancelled**, any billings which were generated for that requisition will be reversed in the first available billing cycle. When the cancellation involves diverting materiel back to stock, the billing will be reversed upon receipt of the materiel. Any charges related to the cancellation, such as contract termination costs, will be **billed** by noninterfund procedures.

L. RETENTION OF BILLING RECORDS

1. Records supporting MAP or FMS billings will be maintained for two years and others for one year after the billing month.

2. Adjustment processing activities **will** retain the necessary records for whatever time period required to enable them to process adjustments when the request or discrepancy report leading to the adjustment is received within allowable timeframes.

M. ROUTING AND RETENTION OF INTERFUND BILLS BY THE DAASO

1. All sellers are encouraged to forward their interfund bills to DAASO for routing to the billed office.

2. Interfund billings to be routed by DAASO must be transmitted to DAASO with a Content Indicator Code of "IFBB". The DAASO "Route to" COMM RI code must be "RUEOZZA". Billing offices **will** not forward copies of bills to DAASO for routing if the office to receive the copy differs from the actual billed office.

3. An interfund bill message may consist of a summary billing record (DI Code FS_) and one or more detail billing records but shall not contain **more** than 495 records (DI Codes FS_, FL_, FA_, etc.) on the message. **With** the header and trailer records, messages will consist of no more than 497 records.

4. DAASO will edit each interfund bill to ensure that:

a. The record count shown in pos. 5-7 of the summary billing record equals the actual count of the supporting billing records.

b. The bill-to address shown in **pos. 30-35** of the **summary** billing record is a valid DoDAAC.

c. The amount shown in pos. 65-73 of the summary billing record equals the sum of the amounts shown in pos. 65-73 of the supporting billing records.

5. DAASO will reject interfund bills which fail any of the edits. Rejected interfund **bills** will be returned to the originating communications center with a narrative description indicating the reason for rejection. Billing offices must correct the rejected **bills** and resubmit them to DAASO. Both corrected bills and billing office interfund reports, when appropriate, will be forwarded to the offices involved.

6. Upon successful completion of the edits, DAASO will route interfund bills by an appropriate means (AUTODIN, mail, **message**, etc.) to the billed office. A narrative header record "For Accounting and Finance Officer" will be included with each interfund **bill**.

7. The DAASO will retain in their files, **non-FMS** interfund bills routed by them for one year and FMS interfund bills for two years. Chapter 4 prescribes procedures for obtaining copies from **DAASO**.