



**DEFENSE LOGISTICS AGENCY**  
**HEADQUARTERS**  
CAMERON STATION  
ALEXANDRIA, VIRGINIA 22304-6100

CH 4  
DoD 4000.25-7-M

DLSSO-CB

CHANGE NO. 4  
DoD 4000.25-7-M

19 Feb 88

**MILITARY STANDARD BILLING SYSTEM**

I. DoD 4000.25-7-M, 30 Jan 85, is changed as follows:

Remove pages 1 **isted** below and insert revised pages. Changes are indicated by marginal lines.

Remove 01 d

iii thru vi  
xi  
xiii thru xviii  
1-5 thru 1-12  
2-1 thru 2-14  
4-1 thru 4-10  
4-13  
A1-1 thru A1-4  
**A2-1**  
A3-1 and A3-2  
**A4-1** thru A4-3  
A11-1 thru A11-3  
**A13-1**  
**A14-1**  
B1-1 and B1-2  
B2-1 and B2-2  
B14-1 and B14-2  
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C19-1 and C19-2  
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C34-1 and C34-2  
C38-1 and C38-2  
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C41-1

Insert New

iii thru vi  
xi  
xiii thru xviii  
1-5 thru 1-13  
2-1 thru 2-14  
4-1 thru 4-10  
4-13  
**A1-1** thru A1-5  
**A2-1**  
**A3-1** and A3-2  
**A4-1** thru A4-3  
A11-1 and A11-2  
**A13-1**  
**A14-1**  
B1-1 and B1-2  
B2-1 and B2-2  
B14-1 and B14-2  
**C14.1-1** and **C14.1-2**  
C19-1  
C19-1.1 and C19-1.2  
C34-1 and C34-2  
C38-1  
**C38.1-1** and **C38.1-2**  
C41-1

II. The following approved changes are included in this change:

A. Adjustments for billing errors by **non-DoD** activities (GSA) will be requested only when the amount is greater than \$100. (AMCL 1a)

B. Where AUTODIN capability exists, all requests for adjustments will be sent to **DAASO** via AUTODIN for further routing to the billing office. (AMCL 24)

C. Central Accounts Offices will enter the year and month the interfund transfer was reported to Treasury on the summary billing record (record position 74-76). Billing offices will leave this field blank. (AMCL 32)

D. New billing status code "AM" added. (AMCL 33)

- E. Allow for billing based upon shipment status. (AMCL 34A)
- F. Removed option for accumulating **small** value billings. (AMCL 35)
- G. Add additional information in replies to requests for billing status. (AMCL 36)
- H. Automate the system for maintaining and disseminating fund code changes. (AMCL 39A)
- I. Bill DoD contractors under noninterfund billing procedures. (AMCL 41)
- J. Provide procedures for correcting interfund bills rejected by DAASO. (AMCL 42)
- K. Remove GSA dollar value limit for providing financial adjustments for validated PQDRs.
- L. Require all interfund bills to be routed to DAASO via AUTODIN for further routing to billed offices.
- M. Revise the reporting date for Semiannual Implementation Status Reports.

111. This change sheet will be **filed** in front of the publication for reference purposes, after changes have been made.

BY ORDER OF THE DIRECTOR



JAMES J. SINGSANK  
Colonel, USA  
Staff Director, Administration

DISTRIBUTION

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TABLE OF CONTENTS

	<u>Page</u>
FOREWORD	i
TABLE OF CONTENTS	iii
FIGURES	vii
ACRONYMS AND ABBREVIATIONS	ix
REFERENCES	xiii
DEFINITIONS AND TERMS	xv
CHAPTER 1 - ADMINISTRATIVE AND GENERAL	
A. Authority	1-1
B. Purpose	1-1
C. Applicability	1-1
D. Policy	1-1
E. Responsibilities	1-2
F. <b>Focal</b> Point Committee	1-6
G. Publication of the Manual	1-7
H. Proposed Changes	1-9
I. Approved Changes	1-10
J. Supplemental Procedures	1-11
K. Quarterly Status Review	1-11
L. Semiannual Implementation Status Report (RCS: DD-P&L(Q&SA) 1419)	1-12
M. Noncompliance with Prescribed <b>MILSBILLS</b> Procedures and Other Unresolved Problems	1-12
<b>N.</b> Minimize Conditions	1-12
O. Simulated Mobilization Exercise	1-13
CHAPTER 2 - BILLING PROCEDURES	
A. Billing Policies	2-1
B. Criteria for Billing	2-1
C. <b>Preparation of Bills</b>	2-2
D. Retail Loss Allowance	2-4
E. Into-Plane Fuel Sales	2-4
F. Automotive Vehicles	2-9
G. Optional Billing Procedure for Fresh Fruits and Vegetables	2-9
H. Billing for Accessorial and Administrative Costs	2-9
I. Billing for Progress and Advance Payments	2-12
J. Correction of Erroneous Billings	2-12
K. Cancellations	2-13
L. Retention of Billing Records	2-13
M. Routing and Retention of Inter fund <b>Bills</b> by the <b>DAASO</b>	2-13
N. DAAS Edit of Other DoD Component Fund Codes	2-14

	<u>Page</u>
CHAPTER 3 - PROCESSING AND PAYMENT OF BILLS	
A. Payment of <b>Noninterfund</b> Bills	3-1
B. Processing Interfund Bills	3-1
c. Adjustments	3-1
CHAPTER 4 - ADJUSTMENT PROCEDURES	
A. Requesting Adjustments	4-1
B. Canceling or Amending Requests for Adjustment	4-2
c. Follow Up on Unanswered Requests for Adjustment or MRP Credit	4-2
D. Processing Adjustments and Requests for Adjustment or MRP Credit	4-3
E. Incomplete Bill Procedures	4-4
F. Billing Status Procedures	4-4
G. Bill Copy Procedures	4-5
H. Request Rebilling Under Noninterfund Procedures	4-6
I. Adjustments for Discrepancy Reports	4-6
J. Adjustments for Billing Errors	4-7
K. Adjustments for Change Notices	4-11
L. Adjustments for FMS Discrepancies and Billing Errors	4-12
M. Credits for Excess Reports (Materiel Returns Program)	4-13
N. Disputed Responses to Requests for Adjustment	4-13
O. Price Challenges	4-13
CHAPTER 5 - INTERFUND BILLING SYSTEM PROCEDURES	
A. Policy	5-1
B. Principles of the Inter fund Billing System	5-1
c. Preparation of Interfund Bills	5-2
D. Inter fund Reports	5-2
E. Statement of Inter fund Transactions	5-2
F. Service or Agency Level Inter fund Procedures.	5-9
CHAPTER 6 - LOGISTICS INFORMATION DATA SERVICES REPORTS	
A. General	6-1
B. Billing Adjustments by Billing Office	6-1
c. Inter fund Bills by Billing Office	6-2
D. Inter fund Bills by Billed Office	6-2
E. Interfund <b>Bills</b> Rejected by <b>DAASO</b>	6-2
F. Interfund Bill Retransmission Requests	6-2
G. Inter fund Bills by Route-To <b>Comm</b> RI Code	6-3
APPENDIX A - CODES	
A1 Document Identifier	A1-1
A2 Fund	A2-1
A3 Billing Advice	A3-1
A4 Billing Status	A4-1

	<u>Page</u>	
A5	Type of <b>Bill</b>	A5-1
A6	Recipient of Billing Status	A6-1
A7	Sales Price Condition	A7-1
<b>A8</b>	Delivery Source	A8-1
<b>A9</b>	Transportation <b>Bill</b>	A9-1
A10	Stock Fund or <b>Nonstock</b> Fund	A10-1
<b>A11</b>	GSA Customer Supply Center Numbers	A11-1
<b>A12</b>	Signal	A12-1
A13	Information Indicator	A13-1
A14	Other Codes	A14-1

APPENDIX B - BILLING RECORD FORMATS

<b>B1</b>	<b>FA1/FA2-</b> Billing for Issue from Stock	61-1
62	<b>FB1/FB2-</b> Billing for Direct Delivery of Stocked Items	B2-1
B3	<b>FC1/FC2-</b> Billing for Decentralized, <b>Noncatalogued,</b> and Nonstocked Items	B3-1
B4	<b>FD1/FD2-</b> Credit for Excess Materiel Return	B4-1
<b>B5</b>	<b>FE3/FE4-</b> Notice of <b>Nonreimbursable</b> Issue	B5-1
<b>B6</b>	<b>FF1/FF2-</b> <b>Billing</b> for DoD Dependent School Supplies	B6-1
87	<b>FG1/FG2-</b> GSA Self-Service Store and Customer Supply Center <b>Billing</b>	87-1
<b>B8</b>	<b>FJ1/FJ2-</b> <b>Billing</b> for Bulk Petroleum	B8-1
<b>B9</b>	<b>FL1/FL2-</b> <b>Retail</b> Loss Allowance	B9-1
B10	<b>FN1/FN2-</b> Accessorial and Other Miscellaneous Billings	B10-1
<b>B11</b>	<b>FP1/FP2-</b> <b>Billing</b> for Into-Plane Issues	%11-1
<b>B12</b>	<b>FQ1/FQ2-</b> Billing for Transportation	B12-1
B13	<b>FR1/FR2-</b> Billing for Export Transportation	B13-1
B14	<b>FS1/FS2-</b> Summary Billing Record	B14-1
<b>B15</b>	<b>FU1/FU2-</b> Progress Payment Billing	B15-1
B16	<b>FV1/FV2-</b> Billing for Summarized <b>FF&amp;V</b> Issues	B16-1
B17	<b>FW1/FW2-</b> Cash Discounts	B17-1
<b>B18</b>	<b>FX1/FX2-</b> Trade, Quantity, and Other Allowances	B18-1

APPENDIX C - ADJUSTMENT RECORD FORMATS

	<u>FAC/FAE/FAF</u> - Request for Adj. of Non-Fuel <b>Billing</b> :	
c1	<b>Billing</b> Advice Code "11"	C1-1
<b>C2</b>	<b>Billing</b> Advice Code "12"	C2-1
<b>C3</b>	<b>Billing</b> Advice Code "13"	C3-1
<b>C4</b>	<b>Billing</b> Advice Code "14"	C4-1
<b>C5</b>	<b>Billing</b> Advice Code "15"	C5-1
C6	<b>Billing</b> Advice Code "17"	C6-1
<b>C7</b>	<b>Billing</b> Advice Code "18"	C7-1
<b>C8</b>	<b>Billing</b> Advice Code "19"	C8-1
<b>C9</b>	<b>Billing</b> Advice Code "20"	C9-1

C10	Billing Advice Code "21"	C10-1
C11	Billing Advice Code "23"	C11-1
C12	Billing Advice Code "2.4"	C12-1
C13	Billing Advice Code "26"	C13-1
C14	Billing Advice Code "34"	C14-1
C14.1	Billing Advice Code "35"	C14.1-1
C15	Billing Advice Code "41"	C15-1
C16	Billing Advice Code "51"	C16-1
C17	Billing Advice Code "52"	C17-1
C18	Billing Advice Code "55"	C18-1
C19	<u>FAR/FAS-</u> Reply to Request for Adj. of Non-Fuel Billing (Except "AI" and "DD")	C19-1
C19.1	<u>FAR/FAS-</u> Reply-to Request for Adj. of Non-Fuel Billing ("AI" and "DO")	C19.1-1
	<u>FJC/FJE/FJF-</u> Request for Adjustment of Fuel Billing:	
C20	Billing Advice Code "11"	C20-1
C21	Billing Advice Code "12"	C21-1
C22	Billing Advice Code "13"	C22-1
C23	Billing Advice Code "14"	C23-1
C24	Billing Advice Code "15"	C24-1
C25	Billing Advice Code "17"	C25-1
C26	Billing Advice Code "18"	C26-1
C27	Billing Advice Code "19"	C27-1
C28	Billing Advice Code "20"	C28-1
C29	Billing Advice Code "21"	C29-1
C30	Billing Advice Code "23"	C30-1
C31	Billing Advice Code "24"	C31-1
C32	Billing Advice Code "26"	C32-1
C33	Billing Advice Code "34"	C33-1
C34	Billing Advice Code "41"	C34-1
C35	Billing Advice Code "51"	C35-1
C36	Billing Advice Code "52"	C36-1
C37	Billing Advice Code "55"	C37-1
C38	<u>FJR/FJS-</u> Reply to Request for Adj. of Fuel Billing (Except "AI" and "DD")	C38-1
C38	<u>FJR/FJS-</u> Reply to Request for Adj. of Fuel Billing ("AI" and "DD")	C38.1-1
C39	<u>FTB -</u> Reply to Followup for MRP Credit	C39-1
C40	<u>FTP-</u> Followup for Materiel Returns Program Credit	C40-1
C41	<u>QBI-</u> Request for Retransmission of Interfund Bill	C41-1
	<u>FDC/FDE/FDF</u> - Request for Summary Level Billing Adjustment:	
C42	Billing Advice Code "42"	C42-1
C43	Billing Advice Code "43"	C43-1
C44	Billing Advice Code "44"	C44-1
C45	<u>FDR/FDS</u> - Reply to Request for Summary Level Adjustment	C45-1

<u>Acronym or Abbreviation</u>	<u>Definition</u>
<b>PC&amp;H</b>	Packing, Crating, and Handling
<b>PCH&amp;T</b>	Packing, Crating, Handling, and Transportation
<b>PIIN</b>	Procurement Instrument Identification Number
<b>PMCL</b>	Proposed MI <b>LSBILLS</b> Change Letter
<b>POD</b>	Port of Debarkation
<b>POE</b>	Port of Embarkation
<b>POL</b>	Petroleum, Oil, and Lubricants
<b>pos.</b>	Position(s)
<b>PQDR</b>	Product Quality Deficiency Report (SF 368)
<b>PROJ CD</b>	Project Code
<b>R&amp;D</b>	Research and Development
<b>RCS</b>	Reports Control Symbol
<b>RFID</b>	Request for Implementation Date
<b>RI</b>	Routing Identifier
<b>ROD</b>	Report of Discrepancy (SF 364)
<b>SAAC</b>	Security Assistance Accounting Center
<b>SAAM</b>	Special Assignment Airlift Mission
<b>SBR</b>	Summary Billing Record
<b>SF</b>	Standard Form
<b>TAC</b>	Type Address Code
<b>TFS</b>	Treasury Fiscal System
<b>TDR</b>	Transportation Discrepancy Report
<b>U/I</b>	Unit of Issue
<b>U.S.</b>	United States
<b>USAF</b>	United States Air Force
<b>USAFAC</b>	United States Army Finance and Accounting Center
<b>USG</b>	United States Government
<b>WIP</b>	Work in Progress

REFERENCES

- (a) DoD Directive 4000.25, "Administration of Defense Logistics Standard Systems."
- (b) DoD 4000.25-7-S1, "Fund Code Supplement to MILSBILLS," authorized by DoD Directive 4000.25.
- (c) DoD 5025.1-M, "DoD Directives System Procedures," authorized by DoD Directive 5025.1.
- (d) DoD 7110.3-M, "Budget and Fiscal Coding Manual of the Office of the Secretary of Defense," authorized by DoD Instruction 7110.3.
- (e) DoD 4000.25-6-M, "Department of Defense Activity Address Directory," authorized by DoD Directive 4000.25.
- (f) DoD 7420.13-R, "Stock Fund Operations," authorized by DoD Directive 7420.13.
- (g) DoD Instruction 7220.9, "DoD Accounting Policy."
- (h) DoD Instruction 7420.12, "Billing, Collection, and Accounting for Sales of Materiel from Supply System Stock."
- (i) DoD 7220.9-M, "Department of Defense Accounting Manual," authorized by DoD Instruction 7220.9.
- (j) "Department of Treasury Financial Management Manual."
- (k) "DoD Supplement to the Federal Acquisition Regulation."
- (l) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales, and Transfers of Materials, Supplies, and Equipment."
- (m) Title 31, United States Code, Section 686a.
- (n) DoD 7290.3-M, "Foreign Military Sales Financial Management Manual," authorized by DoD Instruction 7290.3.
- (o) DLAR 4140.60/AR 12-12 /N **AVMATINST 4355 .72 B/AFR 67-7/MCO 4140.1 D**, "Processing Discrepancy Reports Against Foreign Military Sales Shipments."
- (p) AR 55-38 /N **AVSUPINST 4610.33 C/AFR 75-18/MCO P4610.19D/DLAR 4500.15**, "Reporting of Transportation Discrepancies in Shipments."
- (q) DLAR 4140.55/AR 735-11 -2/ **NAVMATINST 4355 .73 B/AFR 400-54/MCO 4430.3H**, "Reporting of Item and Packaging Discrepancies."
- (r) DLAR 4155.24/AR 702-7 /N **AV.MATINST 4855 .8 D/AFR 74-6/MCO 4855 .5D**, "Reporting of Product Quality Deficiencies Across Component Lines."
- (s) DoD 4000.25-1-M, "Military Standard Requisitioning and Issue Procedures," authorized by DoD Directive 4000.25.
- (t) DoD 4000.25-10-M, "Defense Automatic Addressing System (DAAS)," authorized by DoD Directive 4000.25.
- (u) Joint Chiefs of Staff Allied Communications Publication 117.
- (v) Joint Chiefs of Staff Joint Army, Navy, and Air Force Allied Publication 128.
- (w) Volume 1 of "DoD 4500.32-R, "Military Standard Transportation and Movement Procedures," authorized by DoD Directive 4000.25.
- (x) DoD 4000.25-1-S1, "MILSTRIP Routing Identifier and Distribution Codes," authorized by DoD Directive 4000.25.

- (y) DoD 5105.38-M, "Security Assistance Management Manual," authorized by DoD Directive 5105.38.
- (z) DoD 5000.12-M, "DoD Manual for Standard Data Elements," authorized by DoD Directive 5000.12, "Data Elements and Data Codes Standardization Procedures."

## DEFINITIONS AND TERMS

ACCESSORIAL COSTS. Certain expenses incident to issues, sales, and transfers of materiel. They are defined to include:

1. packing, handling, and crating costs;
2. transportation costs;
3. port loading and unloading costs; and
4. positioning costs.

ADJUSTMENT REQUESTS. Data forwarded to billing offices to request and provide information necessary for adjustment of billings. Adjustment requests also include **followups** for adjustments for validated discrepancy reports and promised materiel return program credits.

ADMINISTRATIVE ADJUSTMENT REQUESTS. Requests for actions related to billings which do not involve monetary adjustment. Requests for billing status and copies of billings-are-examples of administrative adjustment requests.

ADMINISTRATIVE COSTS. General overhead expenses and other costs in operating the DoD or GSA logistics systems that are incident to the issue, sale, or transfer of materiel and are not included in the price of the materiel or as an accessorial cost.

ADVANCE PAYMENT. Amounts paid for materiel in advance of performance or delivery of the materiel. Amounts paid for other purposes in advance of the time the amounts are earned by the payee.

BILL. A statement of the amounts owed for the transfer or sale of materiel and for the performance of services incident to the transfer.

BILLED OFFICE. Any office designated to receive a bill.

BILLING ERROR. An error in a bill, at the bill "or detail billing record level", which has one or more of the following characteristics:

1. duplicates a previous bill or detail billing record,
2. contains an error in amount,
3. assigns the wrong billed office; that is, designates the billed office in a manner which violates the requirements of **MILSBILLS**,
4. " was not billed under the proper method (noninterfund versus inter fund) , or
5. should not have been billed; for example, was **nonreimbursable**, the requisition was cancelled, or accessorial charge was inappropriate.

BILLING OFFICE. An office which prepares bills for materiel and services which are subject to the requirements of **MILSBILLS**.

CENTRAL ACCOUNTS OFFICE. A central accounts office is an office which has been authorized by the Army, Navy, Air Force, or the GSA to report interfund and other disbursement data to the Department of the Treasury. Normally, these are the offices given the operational responsibility for implementing the Service or Agency level inter fund procedures. These offices are US AFAC; NAFC; AFAFC; and GSA regional offices located in Fort Worth, TX; New York, NY; Kansas City, MO; Washington, DC; and San Francisco, CA.

CONSTRUCTIVE DELIVERY. The delivery of materiel to a commercial carrier, freight forwarder, United States or international post office, or customer at point of production, storage, or test. Delivery is evidenced by completed copies of shipping documents, MI LSTRIP materiel shipment status or shipping documents, or a list of deliveries in a post office.

CON US. The conterminous United States is comprised of the 48 contiguous states and the District of Columbia.

DETAIL BILLING RECORD. The lowest level of detail in a bill. At this level of the bill, billings for materiel are identified by the document number. When more than one shipment is involved, the partial shipment, identified by a document number suffix, is the lowest level of detail.

DEFENSE LOGISTICS STANDARD SYSTEM. A DoD standard system authorized by DoD Directive 4000.25. The systems are:

DAAS <sup>1</sup>	Defense Automatic Addressing System
DoD LO GDESMAP	DoD Logistics Data Element Standardization and Management Program
Do DAAD	DoD Activity Address Directory
Do DFMSCG	DoD Foreign Military Sales Customer Guide
ILCS <sup>1</sup>	International Logistics Communications System
MA PAD	Military Assistance Program Address Directory
MI LSBILLS	Military Standard Billing System
MI LSCAP	Military Standard Contract Administration Procedures
MI LS PETS	Military Standard Petroleum System
MI LSTAMP	Military Standard Transportation and Movement Procedures
MI LSTEP	Military Supply and Transportation Evaluation Procedures
MI LSTRAP	Military Standard Transaction Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
RODS	Report of Discrepancy System

DISCREPANCY REPORT. A discrepancy report is any of the reports prescribed in DoD or joint Service or Agency publications for

<sup>1</sup>Administered by the DLA; others administered by the DLSSO.

reporting item, transportation, or quality deficiencies. Examples of these reports are: SF 361, Transportation Discrepancy Report; SF 364, Report of Discrepancy; SF 368, Product Quality Deficiency Report (Cat. II).

DoD COMPONENT. Office of the Secretary of Defense, the Military **Departments<sup>2</sup>**, the Organization of the Joints **Chiefs** of Staff, the Unified and Specified Commands, and the Defense Agencies.

DROP FROM INVENTORY. Reduction of the quantitative inventory balance.

DUPLICATE BILL. An exact duplicate of a previous bill or a bill supported entirely by duplicate billing records.

DUPLICATE DETAIL BILLING RECORD. A second or subsequent detail billing record for a single shipment.

FOREIGN MILITARY SALES. That portion of the United States security assistance authorized by the Arms Export Control Act, as amended. Within defense logistics standard systems, FMS is identified by the MI **LSTRIP** document number: 1st position (Service/Agency code) of B, D, K, P, or T and a 6th position (FMS and Grant-Aid Type of Assistance code) of 3, 4, 5, 6, 7, 8, U, V, or Z.

IN TERFUND BILL. A bill processed under the inter fund billing system. These **bills** are not only "bills" but notices to the billed office that its funds have been disbursed and the bill "paid."

IN TERFUND BILLING SYSTEM. Is an automated billing and fund transfer system. Under this **system**, a billing office forwards an automated billing (up to 494 detail billing records and a summary billing record which summarizes the details and provides the necessary fund transfer information) to a billed office. During the same month, the billing office advises its central accounts office of the inter fund transfers (self-reimbursements) it has made. The central accounts office reports these transactions to the U.S. Treasury and to the central accounts office of the office whose funds have been disbursed. The billed office's central accounts office maintains a suspense file to ensure that the charge is cleared. The billed office, through processes unique to each Military Department, clears inter fund disbursements by either accepting the charge (the funds disbursed may be corrected at the time of acceptance) or taking action to have the billing office reverse the transfer.

NO NINTERFUND BILL. A bill which requires the billed office to pay by check or otherwise take actions to reimburse the billing office. Examples of these bills are those which are prepared on an SF 1080, Voucher For Transfers Between Appropriations And/Or Funds, or, by GSA, on GSA Form 789., Statement, Voucher and Schedule of Withdrawals and Credits.

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<sup>2</sup>For purposes of MI **LSBILLS**, the US Coast Guard is not a DoD Component.

NONTRACEABLE SHIPMENT. A shipment by a mode or method wherein an audit trail between the various shipping elements and the consignee is not available or signed delivery receipts are not required from the consignee. Normally, shipments under mode/method codes G, H, and 6 are considered **nontraceable**. Exceptions to the **nontraceability** of these three modes include registered mail, certified return receipt, etc. Accordingly, the shipping transportation office normally must make the non traceability determination.

OTHER DoD COMPONENT. A DoD Component identified by a Do **DAAC** beginning with a Service/Agency code of "H." Examples include DMA, DNA, and NSA.

PACKING, HANDLING, AND CRATING COSTS. Costs incurred for labor, materiel, or services in preparing materiel for shipment from or between storage and distribution points.

PORT LOADING AND UNLOADING COSTS. Costs incurred for labor, materiel, or services for loading, unloading, and handling at the ports of embarkation and debarkation.

POSITIONING COSTS. Costs incurred in pre-positioning items in the supply distribution system of a Military Department at locations outside the United States in anticipation of support to other authorized customers.

PREMIUM TRANSPORTATION. Transportation by other than conventional **rail**, motor, or water freight, or parcel post service (e. g., commercial air service, exclusive use of the vehicle).

PROGRESS PAYMENT. Amounts paid for goods or services, not yet delivered, to finance that portion on which performance has been completed.

REQUISITION. A customer order for materiel at the national stock number or equivalent level.

SUMMARY BILLING RECORD. A record, used in the inter fund billing system, which summarizes the values of detail billing records and provides other information needed to support transfers of funds between appropriations.

TRANSPORTATION COSTS. Costs paid to common carriers or DoD activities to move **materiel**.

VALIDATED DISCREPANCY REPORT. A discrepancy report in which the authorized processing point has both accepted for processing and confirmed or has reasonable reason to believe the discrepancy has occurred. For adjustment purposes, a ROD for nonreceipt is considered validated when the **nontraceability** of the shipment is determined by the shipping office.