

CHAPTER 1

ADMINISTRATIVE AND GENERALA. AUTHORITY

This manual is issued under authority of DoD Directive 4000.25, (reference (a)).

B. PURPOSE

This manual provides data elements and codes, standard procedures, and formats to be used for billing and related adjustments, collections, and accounting for sales of materiel. This manual also provides the standard procedures and formats prescribed for the **Interfund** Billing System. The procedures, formats, and other requirements contained herein are hereafter referred to collectively as the "Military Standard Billing System" (**MILSBILLS**).

c. APPLICABILITY

MILSBILLS applies to the Office of the Secretary of Defense (**OSD**), the Military Departments, the Organization of the Joint Chiefs of Staff (**OJCS**), the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "DoD Components") and, by agreement, to other organizations participating in the **DLSS**; e.g., the General Services Administration.

D. POLICY

Under provisions of DoD Directive 4000.25, it is the policy of the Department of Defense that:

1. **MILSBILLS** shall be disseminated, as required, to the using levels of DoD Components. Supplemental procedures issued by DoD Components or other organizations are authorized when additional detailed instructions are required.

2. **MILSBILLS** shall be implemented uniformly between DoD Components and at all levels within each DoD Component. Priority shall be given to the development and implementation of **inter-DoD** Component procedures before separate development and implementation of **intra-DoD** Component procedures.

a. Requests for deviations or waivers shall be considered when it can be demonstrated that the system in question cannot provide a workable method or procedure or cannot accommodate interim requirements.

b. Deviations or waivers may not be requested solely to accommodate existing internal systems and procedures or organizational environments.

E. RESPONSIBILITIES

1. Under provisions of DoD Directive 4000.25 (reference (a)), the Assistant Secretary of Defense (Comptroller) (ASD(C)) shall provide policy guidance, shall oversee the **MILSBILLS**, and shall direct implementation of and compliance with the **Directive** as it relates to **MILSBILLS**. In **carrying** out his responsibility, the **ASD(C)** shall:

a. Approve the development of new **MILSBILLS** assignments or revisions to existing assignments.

b. Provide the **DLSSO** with policy guidance concerning the design, development, documentation, and maintenance of **MILSBILLS** procedures.

c. Review, and approve **DLSSO** plans", priorities, and schedules for **MILSBILLS**.

d. Introduce new system improvements and expansion of the **MILSBILLS**.

e. Approve or disapprove requests to use a system other than the **MILSBILLS**.

f. Resolve issues submitted by the **DLSSO** concerning resources, policy, and requests for deviations" or waivers from the use of **MILSBILLS**.

2. The Chief, Defense Logistics Standard Systems Office (DLSSO) shall establish a system administrator for the **MILSBILLS**.

3. The **MILSBILLS** Administrator shall:

a. Perform analysis and design functions, in coordination with the DoD Components, to implement guidance and instructions provided by the **ASD(C)** and to ensure the involvement of **telecommunications** planning in an integrated system design.

b. Recommend system improvements and additional policy, as required, during the development of procedures.

c. Develop, publish, and maintain this manual and its supplement (reference (b)), consistent with **DoD** 5025.1-M (reference (c)).

d. Evaluate and coordinate proposed system revisions **with** DoD Components, affected Federal Agencies, foreign governments, **and** industrial organizations and furnish a copy of **all revision proposals** to the **ASD(MI&L)** and the **ASD(C)**.

e. Resolve issues concerning procedural **matters within** 90 days after receipt of all comments from DoD Components. **Issues** affecting resources or policy shall be referred, together with **com-**ments of DoD Components and a recommendation of the system **adminis-**trator, to the **ASD(C)** for decision.

f. Disseminate to the **ASD(MI&L), ASD(C), and to** other DoD Components, a quarterly status **review** of all revision proposals that have not yet been approved for publication, or, that if **approved,** have not been implemented.

g. Ensure compatibility of assigned systems. **Coordination** shall be effected, when appropriate, among system **administrators for** assigned systems, with designated system **administrators of** other DoD logistics systems, and with related DoD logistics task groups'. Compatibility among these systems and groups shall be attained, when appropriate, before coordination with the DoD Components.

h. Ensure uniform implementation of this manual by:

(1) Reviewing all supplemental procedures **-issued by DoD** Components to ensure continuing conformance of **revisions to the** approved system.

(2) Reviewing implementation plans and **implementation** dates of DoD Components and making recommendations for **improvements.**

(3) Conducting periodic evaluations. to **determine effec-**
tiveness of the system.

(4) Conducting surveillance, through **onsite visitations,** of selected system segments in order to determine **compliance with** prescribed system requirements and to furnish **clarification** - ensure uniform interpretation of the requirements of the system.

(5) Reporting to **ASD(C) the findings** and recommendations of evaluations and surveillance visitations, along with comments of the DoD Components concerned.

(6) Securing semiannually from the DoD Components status information concerning implementation **of approved system revisions.**

i. Review and evaluate curricula of DoD and other **DLSS** participant training schools offering courses related to the **MILSBILLS** and make recommendations for improvements.

j. Assist in resolving problems, violations, and deviations that arise during system operations and that are reported to the system administrator. Unresolved problems and continued violations shall be referred to the **ASD(C)** for resolution or corrective action.

k. Review and coordinate with DoD Components, affected Federal Agencies, foreign governments, and industrial organizations all requests for system deviations and exemptions and make appropriate recommendations to the **ASD(C)** based on fact-finding studies or analysis of accompanying justification.

4. The Heads of DoD Components and Other Participating Organizations shall:

a. Designate an office of primary responsibility for the **MILSBILLS** to serve as the **MILSBILLS** focal point. They shall identify to the **MILSBILLS** Administrator the name of a primary and alternate focal point representative for the **MILSBILLS** to:

(1) Serve on the **MILSBILLS** Focal Point Committee.

(2) Provide the DoD Component or participating organization position and have the authority to make decisions regarding procedural aspects.

(3) Ensure continuous liaison with the **MILSBILLS** administrator and other DoD Components and participating organizations.

(4) Evaluate all suggested changes to the **MILSBILLS** that originate within his or her DoD Component or participating organization. Beneficial suggestions shall be evaluated initially by the focal point.

(a) If a suggestion is received by the **MILSBILLS** administrator directly for evaluation, it shall be forwarded to the appropriate DoD Component or participating organization focal point for review and evaluation.

(b) If the suggestion is considered worthy of adoption, the **focal** point shall submit a change proposal to the **MILSBILLS** Administrator, stipulating specific narrative changes to the manual concerned.

(c) Such proposed changes shall be coordinated in the normal manner with awards determined by the focal point in accordance with current procedures.

(5) Submit revision proposals to the **MILSBILLS** administrator with justification and expected benefits.

(6) Develop and submit to the **MILSBILLS** administrator a single, coordinated DoD Component position on all system revision proposals within the time limit specified by the **MILSBILLS** administrator.

(7) Participate in system surveillance, through **onsite** visitations in coordination with the **MILSBILLS** administrator.

b. Implement approved systems and revisions thereto and provide the **MILSBILLS** Administrator with semiannual status information concerning implementation of approved system revisions. This information shall be submitted within 15 working days after the end of a designated semiannual cycle and shall begin with the first cycle following publication of the approved system change.

c. **Accomplish** internal training to ensure timely and effective **implementation** and continued operation of **MILSBILLS**. In addition, furnish copies of initial training instructions concerning **MILSBILLS** to the **MILSBILLS** administrator.

d. Review, evaluate, and update, at least annually, curricula of internal training programs to ensure adequacy of training.

e. **Provide** representation to joint system design and development **efforts** and evaluations of the DLSS in coordination with the **MILSBILLS** administrator.

f. Review internal procedures continually to eliminate and prevent duplication of records, reports, and administrative functions related to information provided by the **DLSS**.

g. **Provide** the DLA with an open rider requisition using **Standard Form 1**, "Printing and Binding Requisition," and **bulk** distribution lists to cover all printed changes to this **manual** and its supplement (DoD 4000.25-7-S1 (reference (b))). The Standard Form 1 **will** be sent to:

Hq, Defense Logistics Agency
Attention: **DLA-XPB**
Cameron Station
Alexandria, Virginia 22304-6100

h. **Ensure** that operating activities that support a **MILSBILLS** **function comply** with this manual and its supplement (reference (b)).

i. Furnish to the **MILSBILLS** administrator copies of supplemental and internal procedures, and changes thereto, **related to** the operation of **MILSBILLS**.

j. Report to the **MILSBILLS** administrator problems, **violations**, and deviations that arise during system operations.

F. FOCAL POINT COMMITTEE

1. Organization and Management. The **MILSBILLS** Focal Point Committee shall:

a. **Consist** of representatives from the DoD Components and other **participating** organizations for the **MILSBILLS**.

b. Be chaired by the **MILSBILLS** administrator.

c. **Meet** at least quarterly. Minutes of these meetings shall be **distributed** by the **MILSBILLS** administrator within 30 days.

2. Functions. The **MILSBILLS** committee shall participate in the development, implementation, and maintenance of the **MILSBILLS**.

3. Focal "Point. The following have been designated as the office of primary responsibility or focal point for **MILSBILLS** matters within the following organizations:

<u>Organization</u>	<u>Focal Points</u>
Air Force	AFAFC/XSMM Denver, CO 80279- 5000 (AV 926-4781)
Army	Assistant Comptroller of the Army (Finance and Accounting) ATTN : DACA-FAP-A Indianapolis, IN 46249- 0001 (AV 699-3035)
Coast Guard	Commandant U.S. Coast Guard ATTN : G-FAD-1 Washington, DC 20593- 0001 (FTS 755-7667)
Defense Automatic Addressing System Office	Defense Automatic Addressing System Office ATTN : DAAS-VL Gentile Air Force Station Dayton, OH 45444-5320
Defense Logistics Agency	Comptroller Defense Logistics Agency ATTN : DLA-CFS Cameron Station Alexandria, VA 22304- 6100 (AV 284-6224)

<u>Organization</u>	<u>Focal Point</u>
Defense Security Assistance Agency	Comptroller Defense Security Assistance Agency ATTN: COMPT-FMD Washington, DC 20330-2800 (AV 227-2293)
General Services Administration and Non-Defense Agencies	Director, Office of Finance General Services Administration ATTN: BCTP Washington, DC 20405-0001 (FTS 566-0620)
Marine Corps	Commandant of the Marine Corps ATTN: LPS-4 Washington, DC 20380-0001 (AV 224-5740)
National Security Agency	Comptroller National Security Agency ATTN: N412 Ft. Meade , MD 20755-6000 (AV 235-0111, ext 6803)
Navy	Commander Navy Accounting and Finance Center ATTN: NAFC-521 Washington, DC 20376-5001
DoD Components other than those shown above contact the DoD MILSBILLS Administrator	Defense Logistics Standard Systems Office ATTN: MILSBILLS Administrator Cameron Station Alexandria, VA 22304-6100 (AV 284-7956)

G. PUBLICATION OF THE MANUAL

1. Organization and Numbering

a. In addition to the front matter (Foreword, Table of Contents, **Acronyms** and Abbreviations, etc.) the manual is organized into chapters and appendices.

b. Each chapter is divided into sections and where necessary, into paragraphs and subparagraphs. Sections are indicated by **capital** letters, paragraphs by numbers. Subdivisions of paragraphs are indi-

cated by lower case letters, by numbers **in** parentheses, by lower case letters *in* parentheses, by underscored numbers, and by underscored lower case letters, in that order, for example:

Chapter 1

A. Section

3. Paragraph

a. Subparagraph

(1) Subparagraph

(a) Subparagraph

1 Subparagraph

a Subparagraph

c. Appendices are identified by alphabetic and numerics to indicate an alphabetic group, e.g., A1, AZ, **B1**, B2.

d. Pages are numbered in a separate series for each chapter and appendix. Pages of a chapter are numbered in sequence with **arabic** numerals beginning with 1. Each page number of a chapter is preceded by the number of the chapter. The page numbering system of the appendices indicates the number of the appendix, i.e., **B1-**, **B2-**, etc., followed by the page number of the appendix.

2. Distribution of the Manual. The Defense Logistics Agency **will** distribute this manual and formal changes to those designated points within each DoD Component and participating organization as requested by the organization or Component in their open rider requisition. Further distribution is accomplished within each organization based upon approved distribution data generated through their internal publication channels.

3. Formal and Interim Changes

a. Formal changes to this **manual** will be published as needed. Formal changes **will** be numbered consecutively and issued as page replacements. The change number will be indicated on each page and new or revised wording will be indicated by marginal lines.

b. Interim changes will be issued to publish emergency or other changes when there **is** insufficient time to publish a formal change. **All** interim changes will be incorporated in a formal change without undue delay. Interim changes **will** be numbered consecutively and will indicate the **formal** change in which it will be incorporated. For example, the second interim change to be incorporated in change 3

will be numbered "IC 3-2". The MILSBILLS administrator will distribute copies of interim changes as indicated in lists provided by the **MILSBILLS** focal points.

H. PROPOSED CHANGES

1. Activities proposing revisions to this manual or its supplement (reference (b)) will forward the proposal to their focal point.

2. If concurred in, the focal point **will** forward the proposed change to the **MILSBILLS** administrator:

Defense Logistics Standard Systems Office
ATTN: DLSSO-B
 Cameron Station
 Alexandria, VA 22304-6100

3. The following information must accompany proposed changes to this manual when they are forwarded to the **MILSBILLS** administrator:

a. Concept. A narrative description of the idea underlying the proposed change. What is the basic idea or problem?

b. Rationale. An explanation of the need for the change. Why is it a problem?

c. Interface. Known or **potential impact** on other DLSS or **nonDLSS** DoD Logistics or **financial** system(s). Who should be involved with or know of this proposal?

d. Expected Benefits. **Operational** statement **identifying** known or potential advantages **resulting** from the proposed **revision**. Disadvantages, when known, -should be **also** addressed.

e. Proposed Change. Proposed wording changes for this manual and other DoD **publications** upon which this change is cent igent or is affected by the change.

4. The **MILSBILLS** administrator will promptly evaluate and, when appropriate, staff proposed changes to this manual with the **MILSBILLS** focal points. A consecutively numbered proposed **MILSBILLS** change letter (**PMCL**) will be prepared to staff proposals. A minimum of 60 days will be allowed for staffing.

5. Prior to submitting proposed changes to the supplement (reference (b)) focal points will ensure that:

a. Treasury account symbols are valid or provide conversion instructions for reporting on the Statement of Inter fund Transactions,

b. Suffix/ limit codes cited on department "97" appropriations

are valid as determined by OSD (reference (d)), and that

c. **DODAACs** cited are listed in the DODAAD (reference (e)).

6. Changes to the supplement (reference (b)) will normally be approved and published without coordination. When a standard procedure or **policy** is involved a proposed change to the appropriate provisions of this manual must accompany the change to the supplement.

I. APPROVED CHANGES

1. Coordination. After a proposed change to this manual is approved, the **MILSBILLS** administrator will, in coordination with the **MILSBILLS** focal points, establish an effective date for the change. Coordination will be effected through agreements reached during DoD **MILSBILLS** focal point committee deliberations or, in most cases, through letters to the **MILSBILLS** focal points.

2. Preferred Implementation Date. Request for implementation date (**RFID**) letters will allow the **MILSBILLS** focal points a minimum of 60 days-for staffing. Changes will normally be effective on April 1 or October 1. Preferred **dates** more than 1 year in the future will also indicate whether or not any portion of the approved change can be implemented with 1 year's notice.

3. Effective Date

a. Following receipt and evaluation of DoD Component and **participating** Agencies preferred implementation dates, the **MILSBILLS** administrator will select an effective date for changes to this manual. The approved change and its effective date will be formally announced by the **MILSBILLS** administrator through release of an **AMCL**.

b. Except for fund codes denoting billing under **noninterfund** procedures, changes to the supplement (reference (b)) will be effective as of the date (first of a month) indicated by the focal point. However, when the change is received by the **MILSBILLS** administrator less than 60 calendar days before the desired effective date, the change will be published effective the next scheduled period or as soon as possible.

c. Changes to fund codes which **denote** billing under **noninterfund procedures** will be effective as of the date (first of a month) indicated by the focal point when the focal point notifies the **MILSBILLS** administrator a minimum of 6 months prior to the preferred date. Otherwise, the change will be effective 6 months after the administrator is notified.

4. Approved **MILSBILLS** Change Letters (**AMCLs**). AMCLS will be consecutively numbered and are provided to formally notify system participants of approved changes. AMCLS may also be used as planning documents to assist participants **in** any program or system design

efforts which may be necessary to implement the changes. The **MILSBILLS** administrator will distribute copies of AMCLS as required by lists provided by **MILSBILLS** focal points.

5. Implementation. DoD policy (see section D) requires full implementation of **MILSBILLS**. If an approved change cannot be implemented as scheduled, the focal point must request approval for a deviation. Deviation requests must include a justification and show an understanding of the potential impact on other system participants. Deviation requests may relate to the implementation date, particular aspects of the change, or both. The administrator will attempt to resolve the request. Unresolved requests for deviation will be forwarded to the **ASD(C)** for decision.

J. SUPPLEMENTAL PROCEDURES

Supplemental procedures issued by DoD Components and participating agencies are authorized when additional detail instructions are required. The following publications supplement the provisions of this manual within the DoD Components and participating agencies:

1. Army: AR 37-12, Interfund Billing, Collection and Reporting Procedures;
2. Navy and Marine Corps: Navy Comptroller Manual; Volume 8, Chapter 6, Part B;
3. Air Force: AFR 177-101, Part Four, Chapter 27, Section K;
4. DLA: DLAM 7000.1, Accounting and Finance Manual, Chapter 11;
5. GSA: (a) FPMR-101.26-8, Discrepancies or Deficiencies in GSA or DoD **Shipments**, Material or Billings and
(b) FPMR 101-2.1 - Billings, Payments and Adjustments.

K. QUARTERLY STATUS REVIEW

The **MILSBILLS** administrator will disseminate the quarterly status review required (section E) by DoD Directive 4000.25 (reference (a)), within 2 weeks of the close of the quarter. The report will be in two parts, one for open proposals in process and another for approved changes which are effective during the reporting or a future period.

L. SEMIANNUAL IMPLEMENTATION STATUS REPORT (RCS: DD-M (SA)1419)

(To be developed - see requirement in section E.)

M. NONCOMPLIANCE WITH PRESCRIBED MILSBILLS PROCEDURES AND OTHER UNRESOLVED PROBLEMS

If reasonable attempts to obtain compliance with prescribed procedures or resolution of **MILSBILLS** related problems are unsatisfactory, the activity having the problem will request assistance from their **MILSBILLS focal** point. The request will include copies of all correspondence pertinent to the problem; such as, the **requisition** number, number and date of bill, billing office, and the shipping office. The focal points involved will **take** the necessary actions to resolve the issue or problem. Necessary actions may include requesting assistance from the **MILSBILLS** administrator. The **MILSBILLS** administrator will follow the procedures described in section E.

N. MINIMIZE CONDITIONS

When a minimize condition is imposed at a location, **MILSBILLS** documents and reports which are normally forwarded to that location via AUTODIN will be forwarded, instead, by regular mail for CONUS addressees and airmail for overseas addressees. If neither the originating office nor DAASO is under minimize, **MILSBILLS** documents and reports may continue to be forwarded to DAASO via AUTODIN for further routing to the end destination.

O. SIMULATED MOBILIZATION EXERCISE

DI code "H" series transactions have been reserved for use during simulated mobilization exercises in lieu of the normal "F" series **DI** codes. Although use of the "H" series **DI** codes is not mandatory, when exercises call for generating records prescribed by **MILSBILLS**, use of the "H" series **DI** codes is recommended.