

## CHAPTER 2

BILLING PROCEDURESA. BILLING POLICIES

DoD Directive 7420.1 (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 **nonavailability** has not been received by the inventory control point within 7 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 inter fund 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 noninterfund billing,

(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 DOD AACs.

b. Whenever the coding or other information provided on a requisition, report of excess, or other order does not designate a DODAAC currently published in the DODAAD (reference (e)), the **requis** -

**itioning**, excess reporting, or ordering activity 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, the 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 FE\_ series **DI** codes.

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 **reimburse-** 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** code = 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. The A series appendices of the supplement (reference (b)) provide appendices to be used, in conjunction with the Service/Agency code of the billed **DODAAC**, to convert fund codes to appropriations.

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**Billing** offices have **until 1** November 89 to implement this **provision**.

d. A separate summary billing record will be prepared for billings applicable to a given billed office for each appropriation and fund code within appropriation. A summary billing record may not summarize more than 494 detail billing records.

6. Noninterfund Bills.

a. An 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 **noninterfund** 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 will provide billing records, using EAM cards, in the format prescribed in the B series appendices to any **non-DoD** customer upon request.

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 Directive 7420.1 (reference (g)) 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.

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.

Standard Form 1080 Revised April 1962 Department of the Treasury TFRM 2-2500 IW-109-CS						VOUCHER NO.
<b>VOUCHER FOR TRANSFERS BETWEEN APPROPRIATIONS AND/OR FUNDS</b>						SCHEDULE NO.
Department, establishment, bureau, or office receiving funds DoD Component X						BILL NO. 12345
Department, establishment, bureau, or office charged  ● DoD Component Y (H12345) ● 899 S. Mason Alexandria, Va 22334						PAID BY
ORDER NO.	DATE OF DELIVERY	ARTICLE OR SERVICES	QUAN- TITY	UNIT PRICE		AMOUNT
		(See attached schedule)		COST	PER	DOLLARS AND CENTS
						TOTAL ? 768.75
Remittance in payment thereof should be sent to— DoD Component X Attn: Central Cashier 123 4th St SW Washington, DC 20506						
ACCOUNTING CLASSIFICATION—Office Receiving Funds  9750100.4321						
<b>CERTIFICATE OF OFFICE CHARGED</b> I certify that the above articles were received and accepted or the services performed as stated and should be charged to the appropriation(s) and/or fund(s) as indicated below; or that the advance payment requested is approved and should be paid as indicated.						
(Date)			(Authorized administrative or certifying officer)			
			(Title)			
ACCOUNTING CLASSIFICATION—Office Charged						
Paid by Check No.						

NSN 7540-00-634-4230

Previous Editions Are

Figure 2-1. Sample SF 1080



GSA Form 789 (Rev. 10-73)	<b>GENERAL SERVICES ADMINISTRATION</b> <b>STATEMENT, VOUCHER AND SCHEDULE OF WITHDRAWALS AND CREDITS</b>	DISBURSING OFFICE NO <hr/> BUREAU VOUCHER NO. (Paying Office) <hr/> 255A																				
DEPOSIT TO THE CREDIT OF ACCOUNT IS SHOWN AND SEND ACCOMPLISHED C/D TO  <p style="text-align: center;">                     GSA/OAD/FINANCE DIVISION                      GSA REGIONAL OFFICE BUILDING                      WASHINGTON, D.C. 20487                 </p> <p style="text-align: center;">                     AGENCY LOCATION CODE 47-00-0002                      ACCOUNT SYMBOL TO RECEIVE CREDIT 47F3875 (123)                 </p> <p style="font-size: small;">                     or Send Remittance Payable to The General Services Administration accompanied by one copy of this GSA Form 789, to the Office indicated above. Adjustments are not to be requested or made for over or under charges of \$10.00 or less per Line Item (FPMR - A - 101-2.104(c))                 </p>		<table border="1" style="width:100%; border-collapse: collapse; font-size: x-small;"> <tr> <th colspan="2">DATE</th> <th>PAGE</th> <th>STATEMENT</th> </tr> <tr> <th>MO</th> <th>DAY</th> <th>YR</th> <th>NO.</th> </tr> <tr> <td>2</td> <td>26</td> <td>1</td> <td>PR: 54</td> </tr> <tr> <td colspan="2">2100</td> <td colspan="2">JK4F2F</td> </tr> <tr> <td colspan="2">AGENCY</td> <td colspan="2">BILLED OFFICE</td> </tr> </table> <p style="font-size: x-small;">                     PAYMENT OR INQUIRY SHOULD REFER TO THE ABOVE DATE, STATEMENT NUMBER, AGENCY, AND BILLED OFFICE ADDRESSES FOR PROMPT HANDLING.                 </p>	DATE		PAGE	STATEMENT	MO	DAY	YR	NO.	2	26	1	PR: 54	2100		JK4F2F		AGENCY		BILLED OFFICE	
DATE		PAGE	STATEMENT																			
MO	DAY	YR	NO.																			
2	26	1	PR: 54																			
2100		JK4F2F																				
AGENCY		BILLED OFFICE																				
OFFICE BILLED (Include ZIP Code)  <p style="text-align: center;">                     IS FINANCE SECTION 99516                      APO NEW YORK 09757                 </p>																						
AGENCY REQUISITION NUMBER  ATTACHED BILLING  CHANGE AND CREDIT WILL BE REPORTED ON STATEMENT OF TRANSACTIONS FOR ACCOUNTING PERIOD -----  BILLING AGENCY CONTACTS PREPARED BY ACCOUNTS RECEIVABLE BRANCH TELEPHONE NO. 202-472-121  PAYING OFFICE CONTACTS PROCESSED BY ----- TELEPHONE NO. -----	ACT	GSA INVOICE OR DOC. NO.  REGSTR	INITIAL DATE 11 34	AMOUNT  49.23	REMARKS																	
TOTAL AMOUNT DUE ON THIS STATEMENT <small>(The total amount due on this statement with GAO 2, 8, 5 and FPMR 11 if required will appear on subsequent statements.)</small>				49.23																		
TO (DISBURSING OFFICE AND SYMBOL—PAYING OFFICE)		BUREAU REFERENCE		APPROPRIATION OR FUND (Symbol Only)	AMOUNT																	
WITHDRAW FROM: DEPARTMENT _____ BUREAU _____ ADDRESS _____																						
CERTIFICATE OF PAYING OFFICE				FOR USE OF PAYING OFFICE																		
I certify that the terms listed herein are correct and proper for payment from the appropriation(s) designated.																						
(DATE) _____		(AUTHORIZED CERTIFYING OFFICER) _____																				
PAID BY CHECK NO. _____ DATED _____		C/D NO. _____		D/T ED _____																		

Figure 2-3. Sample GSA Form 789

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 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 1 (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 "**shipto**" 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.

#### 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>GSA FUND 952</b> DODDS GERMANYSOC ACCOUNTING AND FINANCE OFFICE DEFENSE GENERAL SUPPLY CENTER RICHMOND VA 23297		GENERAL SERVICES ADMINISTRATION REGIONAL OFFICE OF ADMINISTRATION  SINGLE LINE ITEM BILLING REGISTER			81 LLED OFFICE ADDRESS CODE : HE 1207 AGENCY/BUREAU: 9700		ESILL NO: QY955 DATE : 11/18/84 PAGE NO: 1		NEW YORK, N.Y.	
MC RTG C STOCK OR PART UN				SUPPL SIG FNO MADJ BILL OEL		UNIT SELLDIST PRO STR GSA 00C				
10 ID C	NUMBER	ISS QUANT	DOCUMENT NUMBER/SUF	AORR CO Co S ALL NO	DTE EXTENDED VAL	PRICE	co	C D	SCH NUMBER	
DIRECT DELIVERY - AUTOMATED - NON-STORES										
FC1 GNO	7530-01-078-1945BX	40	HE1287 4192 0002	HE2477 J XP	QY955 206	184.40	4.61			EM26861N
FC1 GNO	7530-01078-1945 6X	6	HE1287 4228 0001	HE4436 J XP	QY955 241	27.66	4.61			EM91711N
FN1 GNO	EXP SURCHG OBX X	212.06	HE 1287	XP	QY955	16.96				
FS1	TOTAL FUND COOE XP			XP	QY955	229.02				3 LINE ITEMS
TOTAL BILLING						229.02 • *				

Figure 2-4. Sample GSA Format 952

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, 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 8 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 (\* denotes the **FY** within decade of the billing date):

<u>DoD Components</u>	<u>Assign Fund Code</u>
Army	* 1 for billings for accessorial costs if the fund code in the materiel billing designates account 21X4991; otherwise, use the fund code cited on the requisition.
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 such 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 2 years and others for 1 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 the 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, **interfund** bills routed by them for 1 **year**<sup>2</sup>. Chapter 4 prescribes procedures for obtaining copies from **DAASO**.

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<sup>2</sup>The 1 year retention of DoD interfund billings began with bills dated October 1984. A full year of GSA bills is currently available.