3. Offices designated to receive MRP credit will follow up "on the credit when the credit has not been received and more than 60 calendar days have elapsed since the materiel receipt status (DI code FTZ), citing a credit status, is received. Followup (the initial request) will be in the DI code FTP record format. A second DI code FTP record will be submitted if a reply or credit is not received within 60 calendar days of the initial request.

4. Follow the procedures prescribed for noncompliance (chapter 1) when:
   a. Requests for adjustments or MRP credits remain unanswered for more than 30 calendar days after the second followup and
   b. No interim response is received within 30 calendar days, and
   c. If, an interim response was received, the date promised has passed.

D. PROCESSING ADJUSTMENTS AND REQUESTS FOR ADJUSTMENT OR MRP CREDIT

1. Adjustments, when warranted, will be at the price originally billed.

2. Billing offices will respond to all requests for adjustment within 30 calendar days of the date the request is submitted, via AUTODIN in the DI code FAR or FJR format.

3. Billing offices will respond to all first followup requests for adjustment within 21 calendar days of the date the request is submitted and respond, via AUTODIN, in the DI code FAS or FJS format.

4. Billing offices will respond to second followup requests for adjustments and MRP credit by letter or message within 14 calendar days of receipt. If the request cannot be answered within the 14 days, the billing office will send an interim response by letter or message. The interim response will indicate the date, not to exceed 30 calendar days, a response will be forwarded by letter or message.

5. All responses to adjustment requests will be forwarded to the office designated by the recipient of billing status code. Adjustments will be forwarded to the office originally billed.

6. Billing offices will respond to initial requests and first followup for MRP credit in the DI code FTB format. Responses will be forwarded, via AUTODIN, to the office designated by the materiel receipt status (DI code FTZ).
E. **INCOMPLETE BILL PROCEDURES**

1. An incomplete bill is one in which the bill, either interfund (DR code FS record) or noninterfund (SF 1080 or equivalent), is not fully supported by detail billing records or information.

2. Since the DAASO will not pass incomplete, interfund bills to billed offices, a copy of the “incomplete” interfund bill will first be requested from the DAASO. If DAASO is unable to provide the copy, a request citing BAC “19” will be forwarded to the billing office.

3. In addition to responding to the request, whenever the bill referred to is on file, billing offices will always provide a fully supported copy or corrected bill to the billed office.

F. **BILLING STATUS PROCEDURES**

1. When requisitioned materiel is received, intended billed offices must seek the status of the billing. This is consistent with the concepts underlying DoD accounting theory and practice as prescribed in chapter 11 of the DoD Accounting Manual (reference (i)). If materiel was not requisitioned, or if requisitioned materiel was not received, MILSBILLS procedures do not apply. Contact the local supply or requisitioning office for appropriate procedures.

2. At least 60 calendar days must have elapsed after receiving the materiel before requesting the status of the bill. However, the status must be requested within a year of date of shipment (2 years for FMS shipments). Billing offices will deny requests for status which are not submitted within these timeframes.

3. When the request for billing status involves fuels and is forwarded to the DFSC (RI code S9F), the request will be mailed and will identify the supply source. If the supply source is DFSP, provide the DODAAC of the DFSP. If the supply source is a contractor, including contractor into-plane, provide the contract number.

4. Except for billings awaiting evidence of shipment or receipt, billing offices will not generate bills based solely upon a request for billing status.

5. DoD policy (chapter 41 of reference (i)) has allowances for writing “off unbilled liabilities and deobligating the related obligation when an invoice has not been received within 180 days from the date of acceptable final performance and there is documentation on file that at least two written requests for an invoice have been made. Refer to the reference for other conditions which must be met, such as establishing a reserve for late bills.

G. **BILL COPY PROCEDURES**

1. Requests for copies of interfund bills will be forwarded to the DAASO if the DAASO record retention period has not expired. The
request will be forwarded, via AUTODIN, in the DI code QB1 format, by mail or message using CIC "IFBB". When forwarded via AUTODIN, the record will be sent to COMM Rl "RUEOZZA"; when mailed, it will be addressed to:

Defense Automatic Addressing System Office
ATTN: DAAS-VL
Gentile Air Force Station
Dayton, OH 45444-5320

The DAASO will accept telephone requests (Autovon 986-6395) for copies. Telephone requests will be limited to no more than five bills.

2. DAASO will retransmit a copy of all interfund bills wherein the billing office DODAAC, bill number, and year within decade and month of credit matches the same information on the request.

3. DAASO will send a service message to the originator when DAASO is unable to retransmit a requested bill.

4. If the DAASO responds that it has no record of the bill, the originator will review the request for correctness. If the request (DI code QB1) is found to have been incorrect, the originator will forward a corrected request to the DAASO. Otherwise, the originator will forward a request, in the DI code FAE or FJE format prescribed for BAC "41", to the billing office.

5. Requests for copies of noninterfund bills will always be forwarded to the billing office, via AUTODIN when available, in the DI code FAE or FJE format prescribed for BAC "41".

6. Billing offices failing to respond to requests for copies of interfund bills, when such requests are received within the record retention period, will be directed by their Service or Agency headquarters to reverse the billing. Billed offices will absorb all charges, in the manner prescribed by their Service or Agency, when the record retention period has elapsed and they have failed to obtain copies of bills.

7. Billing offices are not required to provide detail billing records using EAM cards to DoD Components in support of a noninterfund billing or in response to a request for a copy of an interfund bill.

H. REQUEST REBILLING UNDER NONINTERFUND PROCEDURES

1. When a billed office is unable to process a billing record under interfund procedures, the billed office may have the item or items billed under noninterfund procedures by forwarding a request for billing adjustment citing BAC "51".
2. Use of this billing advice code is an admission by the billed office that the requisition was incorrectly coded. Refer to the section on billing errors if the requisition was improperly billed under interfund procedures.

3. Requests citing BAC "51" may be submitted only when the funds involved may not be disbursed under interfund procedures. All such requests, submitted in accordance with procedures prescribed in this chapter, will be honored by the billing office.

I. ADJUSTMENTS FOR DISCREPANCY REPORTS

1. Discrepancy reports will be submitted, reviewed, processed, validated, and responded to in accordance with procedures prescribed for the discrepancy:

   Transportation Discrepancies (reference (p))
   Item and Packaging Discrepancies (reference (q))
   Discrepancy Reports Against FMS Shipments (reference (o))
   Quality Deficiencies Across Component Lines (reference (r))

2. Financial adjustments related to discrepancy reports will be processed in accordance with this manual.

3. Billing offices will process financial adjustments when the discrepancy report is validated and all of the following MILSBILLS or GSA criteria are met:
   a. The discrepancy was not resolved otherwise; e.g., the vendor does not replace deficient materiel for a validated QDR.
   b. The materiel was billed previously.
   c. The materiel is received by the depot in those cases where the discrepancy report reply requires the return.
   d. The TDR or QDR exceeds $25 per line (DBR) or the ROD exceeds $50 per line (DBR) for discrepancies involving GSA shipments. This GSA policy applies only to GSA shipments. There are no dollar value limitations for discrepancies involving DoD shipments.
   e. The discrepancy report for a GSA shipment is received by GSA, except when extenuating circumstances or high dollar value warrants special consideration, within the following timeframes:

      (1) Within 1 year of the date of shipment for quality deficiencies (QDRs) except:

      (a) For items under warranty which must be received within the time limits prescribed in the individual warranty.
(b) For shelf-life items which must be received prior to the expiration of the shelf-life period and within 1 year of the date of shipment.

(2) Within 180 calendar days of the date of shipment for other than quality deficiencies except:

(a) For shipments to MAP consignees which must be received within 18 months of the date of shipment.

(b) For shipments to consignees located in the CONUS, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, the southeast peninsula of Alaska, central Alaska (rail belt), and Kodiak Island which must be received within 120 days of the date of shipment.

4. When a reply to a discrepancy report improperly commits the billing office to providing an adjustment; e.g., shipment was never billed, the billing office will ask the replying office to correct the reply to the discrepancy report.

5. Requests for adjustments related to TDRs (BAC “21”) will not be submitted unless the adjustment is not received and more than 60 calendar days have elapsed since the report was filed.

6. Requests related to QDRs (BAC “24”) and RODS (BAC “26”) will not be submitted until a minimum of 60 calendar days have elapsed since receiving notification that the discrepancy is validated; that is, that an adjustment is approved. When the adjustment is contingent upon the return of materiel, the request will not be submitted until a minimum of 60 calendar days have elapsed since shipping the materiel.

J. ADJUSTMENTS FOR BILLING ERRORS

1. The following adjustments are considered billing errors and will not be accepted for processing if the minimum value criterion for requesting adjustments is not met:

   Duplicates
   Wrong amount billed
   Wrong office billed
   Improper bill
   Promised adjustment not received
   Other problems

2. Duplicates

   a. A duplicate billing record is a second or subsequent billing record for a single shipment or adjustment. If the second or subsequent billing resulted from a second or subsequent shipment, MILSBILLS adjustment procedures do not apply; see instead discrepancy report procedures for duplicate shipments (references (o) and (q)).
b. To obtain adjustments for duplicate billing records, not previously adjusted by the billing office, submit a separate request (DI code FAE or FJE) for each duplicated billing record in the format prescribed for BAC “11”.

c. A duplicate bill (BAC to be developed) is a bill, either interfund or noninterfund (SF 1080 or equivalent), wherein the bill is supported entirely by duplicate billing records. In the case of interfund bills, the bill is also included on the billing office’s interfund report.

3. Wrong Amount Billed

a. A wrong amount billed refers to a detail billing record in which the unit price, quantity, or price extension is erroneous. The error may be in either direction and will be reported in the DI code FAE or FJE format prescribed for BAC “12”.

b. Do not request adjustment for wrong amount if:

(1) The unit price is the standard or catalog price and you are questioning the price. Follow price challenge procedures described in section J instead.

(2) The extension does not agree with the amount billed and a sales price condition code of “B” is indicated. In this case, the unit price shown on the billing record is the inventory carrying value, the standard unit price. The billing unit price, if needed, must be computed.

(3) The quantity billed equals the quantity ordered or shipped and a lessor quantity is received. Follow the appropriate discrepancy reporting procedure instead.

4. Wrong Office Billed

a. Request an adjustment for wrong office billed when the office billed does not agree with the coded requirements of the requisition and the coding indicates a valid billed office DODAAC; that is, one listed in the DODAAC (reference (e)), or when the billed office for adjustments differ from the office originally billed.

b. If the coded information on the billing record used to derive the billed office differs from the same information provided on the requisition, the request must be sent by letter or message and include this point as well as the information prescribed for requests citing BAC “13”. If the billing was prepared in accordance with the requisition or modification received by the ICP or IMM, the request will be denied.
c. If the coded information used to derive the billing office does not provide for a valid DODAAC and the billing office assigned the office as prescribed in chapter 2, adjustment will be denied.

d. When the billing office assigned the billed office as prescribed in chapter 2 and the office assigned is not the intended office, the billed office will transfer or otherwise process the bill in accordance with procedures prescribed by the Service or Agency. If the offices involved are not part of the same Service or Agency, the billed office will contact the intended billed office or requisitioner and make arrangements for transferring the bill. When satisfactory arrangements for transferring the bill cannot be made, the billed office will follow procedures in chapter 1 for unresolved problems.

5. Improper Billing

a. For purposes of this section, an improper billing is one wherein a detailed billing record is received:

(1) charging for materiel requisitioned under nonreimbursable procedures,

(2) charging improperly for accessorial costs,

(3) billing for materiel when the materiel is not received and cancellation of the requisition by the ICP or IMM was confirmed,

(4) billing for materiel when the materiel is not received and the ICP or IMM advised that the materiel was backordered,

(5) following billing office reply that a billing could not be rendered, and

(6) under interfund procedures when the coding of the requisition or excess report, in conjunction with MILSBILLS procedures, require billing under noninterfund procedures.

b. Nonreimbursable. Forward a request for adjustment in the format prescribed for BAC “14” when the coding of the requisition indicates that the materiel was requisitioned under nonreimbursable procedures and a billing was received.

c. Accessorial. A request for adjustment in the format prescribed for BAC “15” will be forwarded whenever accessorial costs are charged and the charges are not in accordance with chapter 2. Requests for adjustments of below-the-line accessorial charges on FMS billings prepared by the SAAC will be processed in accordance with procedures prescribed in the FMS Financial manual (reference (n)).

d. Cancelled. When a billing for materiel is received on a requisition which was confirmed cancelled by the ICP or IMM and the
materiel is not received, a request for adjustment in the format prescribed for BAC "17" will be forwarded to the billing office. When the materiel was received or if the requisition was not confirmed cancelled by the ICP or IMM, MILSBILLS procedures do not apply. Follow instead procedures prescribed for reporting RODS. Although annotations on a shipping document, in conjunction with other factors, may support a discrepancy report, they do not support an adjustment for improper billing. A validated discrepancy report is needed.

e. Backordered. A request for adjustment in the format prescribed for BAC "18" will be forwarded to the billing office whenever a billing is received on a requisition which was backordered and the ICP or IMM has provided MILSTRIP (reference (s)) status, after receipt of the billing, confirming that the materiel is still backordered. Do not submit requests citing BAC "18" prior to obtaining this status.

f. Billing cannot be rendered. Billed offices will request adjustments in the format prescribed for BAC "20" whenever the billing office issues a bill after advising, in a response to a request for billing status (BSCs DC and DF), that a bill could not be rendered.

g. Improper interfund. Whenever billing offices bill under interfund procedures and MILSBILLS procedures do not prescribe billing under interfund procedures, billed offices will forward requests for adjustment in the format prescribed for BAC "52". When MILSBILLS procedures prescribed billing under interfund procedures, billing offices will deny these requests. If the requisition or excess report was coded incorrectly and the interfund billing cannot be processed, refer to procedures for requesting rebilling under noninterfund procedures.

6. Promised adjustment not received. A request for adjustment citing BAC "23" will be prepared when a billing or adjustment is not received and more than 30 calendar days have elapsed since receiving a reply (DI code FAR or FJR) to a request for adjustment promising the billing or adjustment. If the adjustment promised relates to a discrepancy report, refer to the section on adjustments for discrepancy reports.

7. Other billing problems. Billed offices or others will request adjustments for problems not covered by this section or sections E, F, H, or J by forwarding a letter (or message) of explanation along with the information prescribed for BAC "55". Billing offices will respond, via AUTODIN, in the DI code FAR or FJR format. If required, or deemed appropriate, the billing office will also respond by letter or message.

K. ADJUSTMENTS FOR CHANGE NOTICES

1. If an order is placed with or through a stock fund, an undelivered order (obligation) should be recorded when the order is placed.