MILITARY STANDARD BILLING SYSTEM

I. DoD 4000. 25-7-M, 30 Jan 85, is changed as follows:

Remove pages listed below and insert revised pages. Changes are indicated by marginal lines.

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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.

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

BY ORDER OF THE DIRECTOR

[Signature]

JAMES B. SINGSON
Colonel, USA
Staff Director, Administration

DISTRIBUTION
Defense Logistics Agency: 3
Army: C - Active Army, USAR, ARNG To be distributed in accordance with DA Form 12-9A, requirements for AR, Financial Administration
Navy: Navy Standard Distribution List E2F (Code NAFC-521)
Air Force: F
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B6 FF1/FF2- Billing for DoD Dependent School Supplies
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B8 FJ1/FJ2- Billing for Bulk Petroleum
B9 FL1/FL2- Retail Loss Allowance
B10 FN1/FN2- Accessorial and Other Miscellaneous Billings
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B14 FS1/FS2- Summary Billing Record
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REFERENCES

(b) DoD 4000.25-7-S1, “Fund Code Supplement to MILSBILLS,” authorized by DoD Directive 4000.25.
(d) DoD 7110.3-M “Budget and Fiscal Coding Manual of the Office of the Secretary of Defense,” authorized by DoD Instruction 7110.3.
(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.”
(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.
(o) DLAR 4140.60/AR 12-12/NAVMATINST 4355.72 B/AFR 67-7/MCO 4140.1 D, “Processing Discrepancy Reports Against Foreign Military SalesShipments.”
(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 4430.3 H, “Reporting of Item and Packaging Discrepancy es.”
(r) DLAR 4155.24/AR 702-7/N AV MATINST 4855.8 D/AFR 74-6/MCO 4855.5 D, “Reporting of Product Quality Deficiencies Across Component Lines.”
(u) Joint Chiefs of Staff Allied Communications Publication 117.
(v) Joint Chiefs of Staff Joint Army, Navy, and Air Force Allied Publication 128.
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 interfund), 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 interfund 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, M LSTRIP materiel shipment status or shipping documents, or a list of deliveries in a post office.

CONUS. The contiguous 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 4000.2. The systems are:

DAAS
DoD Logistics Data Element Standardization and Management Program
DDAAD
DoD Activity Address Directory
DDFMSCG
DoD Foreign Military Sales Customer Guide
ILCS
International Logistics Communications System
MA PAD
Military Assistance Program Address Directory
M LSBILLS
Military Standard Billing System
M LSCAP
Military Standard Contract Administration Procedures
M LS Pets
Military Standard Petroleum System
M LSTAMP
Military Standard Transportation and Movement Procedures
M LSTEP
Military Supply and Transportation Evaluation Procedures
M 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

1Administered 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, the Organization of the Joint 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 MILSTRIP 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.

**INTERFUND 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.”

**INTERFUND 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.

**NONINTERFUND 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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2For purposes of MILBILLS, the US Coast Guard is not a DoD Component.

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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 transport action office normally must make the nontraceability 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.