CHAPTER 212

THIRD PARTY PAYMENT SYSTEM (TPPS) PROCEDURES

A. GENERAL

MRM 15 directed Reengineering of Defense Transportation Documentation and Financial processes. The directive specifically addressed reengineering billing, collection, and payment processes through transition to commercially acceptable practices. Implementation was coordinated between affected DoD installations and the commercial carrier industry. The Deputy Secretary of Defense directed the implementation of the TPPS contractor's TPPS system to pay for transportation services. DoD contracts and voluntary tenders require the use of the TPPS, and all DoD cargo movements must be offered only to commercial carriers who utilize the TPPS as their billing and payment system. The responsible DoD lead for the TPPS is the DoD TPPS Program Manager (PM). The DoD TPPS PM and COR are located at DFAS. For Navy, Naval Supply, Global Logistics Support (NAVSUP GLS) has separate and specific COR responsibilities for TPPS. A TPPS Oversight Council is co-chaired by DFAS and the Assistant Deputy Under Secretary of Defense for Transportation Policy and provides overall guidance and direction and facilitates system change requests to the TPPS contractor. DoD 7000.14-R, Department of Defense Financial Management Regulations (DoDFMR), Volume 10, Chapter 13, Commercial Transportation Payments, outlines specific policies and responsibilities for payment of transportation documents, including BLs and third-party transportation payment invoices and is the governing regulation for financial policies and responsibilities within the DoD.

B. PROCEDURES

This chapter contains the procedures that apply to shipments made using the TPPS contractor's TPPS. For questions regarding these business rules, contact USTRANSCOM TCJ4-PT at DSN 770-7433 or 618-220-7433 and the Service representatives. Procedures are provided for the processing and payment of commercial freight shipments by all modes.

C. COMMERCIAL CARRIER PAYMENT PROCEDURES

1. This paragraph outlines the business procedures that apply to the use of TPPS as the commercial payment mechanism for transportation of DoD shipments. The following paragraphs detail procedures for shipment booking, documentation, accounting classification review, carrier payment approval, TPPS Summary Invoice certification, bank payment, user access, password and profile procedures, dispute resolution, delinquent accounts, preventative and corrective procedures, and disputed transaction procedures. Internal management controls are addressed. Rules are provided for the timing of transactions, continuation/validation requirements, exception handling, and other issues that may arise during shipment processing regarding the use of the TPPS to pay for transportation of commercial carrier cargo. These procedures apply to the Services and Agencies. They address carrier payments and the associated accounting requirements. The use of the TPPS enables carriers to be paid directly by the TPPS contractor. DFAS reimburses the TPPS contractor for payments made to the carriers on behalf of the U.S. Government.

2. Shipment Booking.

   a. The shipper TO will enter shipment data into the automated shipper system, or, in the case of fuels shipments, through direct data entry into TPPS, Figure 212-1. If the shipper system is down, the system Help Desk (see Paragraph C.2.b below) should immediately be called for instructions. The TO will manually generate a BL and enter the data directly into TPPS.

b. The TO creates a shipment using the shipper system. In the case of sealift shipments, the TO generates an ATCMD, which is subsequently converted to a TCMD in IBS. The TPPS uses the BLOC, DODAAC, or express shipper account number to determine to which account the shipment is assigned. If needed, contact the SDDC GFM Help Desk at 800-336-4906 or the TPPS Help Desk at 800-417-1844 for assistance.

c. If using carrier invoicing, it is important that the TO coordinates with the express carrier to be certain they are identifying the TO's activity correctly in transactions they send to TPPS. In the carrier invoicing model, the carrier provides all the shipment information to TPPS. If the TO does not accurately identify his or her activity to the express carrier, the transaction will not appear in TPPS.

d. A meter ticket is the only hard-copy transportation document provided to the carrier for fuels shipments. The meter ticket is used by the DLA Energy as backup documentation for audit purposes. The BL is in electronic form only.

e. When preparing the BL, the TO must enter the SCAC of the carrier to whom the shipment is tendered. SCAC information is pre-loaded into the TO's shipper system. This SCAC is used by TPPS to identify the carrier moving the shipment. Contact the SDDC GFM Help Desk at toll free 800-462-2176 (Option 3 for GFM, Option 6 for ETA), commercial 618-220-7332, or DSN 770-7332 or via e-mail at sddc.safb.gfmhd@us.army.mil, or contact the TPPS Help Desk at 800-417-1844 for assistance if unable to find the SCAC. Contact the GFM Program Management Office via e-mail at usarmy.scott.sddc.mbx.gfm-team@mail.mil. It is important to note that, prior to preparing a BL, the TO must ensure the SCAC is included in their TPPS site profile as a "trading partner." Carriers not listed as trading partners will cause a BL to "suspend" in TPPS or will result in the shipper system printing a BL. To add a SCAC to their TPPS trading partner profiles, sites must call the TPPS Help Desk at (800) 417-1844.

f. TOs will not accept a shipment without proper supporting documentation for financial processing. At a minimum, either a TAC or LOA with the Standard Document Number (SDN) must be provided. For most shippers, the TAC, the LOA, or both transcribed by the TO from the source document or movement request order will be mapped and assigned in the "accounting code" field in TPPS, and the SDN will be generated automatically during the shipment input process.

NOTE: Army and Navy units will use only TACs. TACs are available in the TGET and contain all associated financial data.

g. The "Bill To:" field of the BL will contain, at a minimum, TPPS contractor – TPPS. For GFM/ETA users, the "Bill To:" field must contain TPPS contractor – TPPS, 1010 South 7th Street, Minneapolis, MN 55415. Air Force CMOS users must ensure the MRM 15 indicator is checked in their Commercial Carrier data screens. This will generate "TPPS contractor" in the "Bill To:" field.

3. Documentation.

a. The TO will print a minimum of two hard copies of the BL (or meter ticket for fuels movement): one to file and one to give to the carrier. As noted above, a meter ticket is the only hard-copy transportation document provided to the carrier for fuels shipments. The BL is in electronic form only.

b. Manifest and pickup:

(1) The TO will provide a paper BL/manifest/meter ticket to the carrier at pickup.

(2) The electronic BL data will be transmitted from the shipper system (e.g., CMOS, ETA/GFM, or the DSS) to TPPS no later than 24 hours after pickup.

c. Status/Price Confirmation:

(1) The carrier will submit a delivery status (or notification of performance, in the case of fuels, Commercial Air Lines of Communication [COMALOC], rail or sealift shipments) to TPPS either electronically or manually. The carrier will perform the requested services according to the shipping instructions as specified in the BL and contracts, tenders, and FAR-based contracts. The carrier must report notification of delivery or performance of the shipment to TPPS before approval for payment can be made in TPPS.

(2) For locally paid accessorial services (e.g., destination charges) the carrier will bill the TO by creating an associated eBill in TPPS.

NOTE: An eBill is a tool in TPPS that is used to request a debit (Charge Buyer) or a credit (Refund Buyer).

Either party may initiate an eBill, but it will not be paid until the other party approves it. If the TO creates an eBill, the TO will cite the BL number and affix an "alpha code" to the end of the BL number, (i.e., 1234A for the first eBill and 1234B for the second). Likewise, if the carrier creates an eBill, they will use their Seller Doc ID number and affix an "alpha code." These are identified as linked eBills because the basic BL or Seller Doc ID already exists. A linked eBill will use the LOA/TAC of the original BL. Unlinked eBills are eBills without a prior existing transaction in the system and are not authorized unless a waiver is granted by OSD (TP). A LOA/TAC must be assigned for unlinked eBills. Unlinked eBill usage will be limited to specific needs only when an underlying BL or Seller Invoice does not exist. TOs must review eBills prior to approval. For Navy activities, administrative shipments must not be paid using TPPS unless authorized by NAVSUP GLS. Administrative shipments are generally defined as shipments of materials consisting of items such as general correspondence, personnel/payroll records, laboratory samples (except for samples paid for by the Service-wide transportation fund), electronic storage media (e.g., computer tapes; floppy discs; videos; Digital Video Disks; X-rays; publications/technical manuals not requisitioned through the supply system; blueprints; or other legal, financial, or contracting documents).

4. Accounting Classification Review:

a. TOs will not accept a shipment if the shipping document does not contain a valid LOA and SDN or TAC.

b. Fund managers (FMs) may determine, by reviewing shipment information in TPPS, that the LOA or TAC entered is incorrect. (For the Air Force, FMs from both the local Operational and Maintenance transportation account and the Accounting Liaison Office will coordinate and review shipment information in TPPS to ensure the LOA or TAC is correct.) If the FM determines that an LOA and SDN or TAC must be changed, the FM will contact the TO responsible for the shipment. (For the Army, the FM will contact the TO/CO responsible for the shipment, in writing, for proper documentation and auditability purposes.) The TO must then check with the shipper to obtain a valid LOA and SDN or TAC. Action by the TO/shipper correcting the invalid LOA/TAC must be taken within 3 Government business days (GBDs) of being contacted by the FM. Any LOA/TAC errors that are detected prior to the generation of the Summary Invoice must be corrected in the TPPS shipment record and documented using the TPPS Notes function. TOs will take advantage of the "Open Summary Invoice Preview" feature contained in TPPS. This feature allows the TO to review and correct the LOA/TAC to a transaction prior to release of the Summary Invoice. Errors in the LOA and associated SDN or TAC identified after the Summary Invoice has been

electronically certified must be manually corrected on the Summary Invoice and documented in TPPS using the Notes function (see Paragraph C.6.j.(3)).

c. The TO/shippers will respond within 2 GBDs to DFAS payment office inquiries. They will provide data to these offices so the payment office can complete the disbursement process to a TPPS contractor within the payment terms allowed by the Prompt Payment Act.

5. Carrier Payment Approval.

a. Payment Requirements.

(1) The Services will establish maximum dollar amounts for the approval of individual carrier payment. This is referred to as an approval threshold. TOs can assign each individual TPPS user within an office a different maximum dollar amount for carrier payment approval. If the carrier's price on a BL shipment exceeds a user's maximum, TPPS will not allow that user to approve the carrier payment. For example, the TO might have a $100K level, the freight supervisor might have a $50K level, a lead freight clerk might have a $30K level, and a freight clerk might be limited to a $25K level. Ensure primary and alternate individuals are designated for various thresholds. TOs must assign an individual who is not involved in payment approving and certifying processes to administer and control TPPS profiles. The TO must ensure payment is approved only for the amount that is determined to be the Government's responsibility to pay.

(2) The carrier payment process cannot begin until there is confirmation in TPPS that the services have been performed. This event will be the posting of the carrier notification of delivery to TPPS or, in the case of COMALOC, sealift or rail shipment, notification of lift. Actual carrier payment will be based on the services requested under the BL.

(3) The TPPS contractor will not pay the carrier until notification of delivery (or lift) and TO approval are present in TPPS. TO approval can be via either manual or auto approval, depending upon the business rule set up in TPPS.

b. Automatic Approval of Payment.

(1) Approval for payment can be made either automatically (if the Auto Approval option is set up in TPPS) or manually. The Auto Approval option business rules in TPPS permit a shipper to set up automatic approval criteria by transaction type for each carrier. Depending upon the business rules established, shipments that fall within specific criteria (i.e., below a specified dollar threshold and within a specified tolerance [dollar range or percentage of cost]), may be automatically approved for payment. This option reduces workload and allows shippers to concentrate on reviewing items that fall outside a specified range. Designated offices with the Services/Agencies will establish auto approval criteria for their accounts. TOs may assign a lower maximum automatic approval dollar amount based upon workload and carrier characteristics.

NOTE: Army account holders will not use automatic approval for carrier invoicing.

(2) If a shipment meets the automatic approval price parameters, it will be approved for payment without TO review. If a shipment does not meet the established parameters, the TO will need to manually review the shipment data and approve payment. Specific processes are noted below under "Manual Approval of Payment," Paragraph C.5.c.

(3) For those shipments where full payment is contingent upon timely delivery (i.e., some Express shipments), TOs will review reports to identify late shipments that were automatically approved for payment. If an overpayment is discovered prior to the generation and certification of the Summary Invoice, the TO must generate an eBill

following procedures identified in Paragraph C.9 below. If payment for a late shipment was automatically approved and the discovery occurs after the generation and certification of the Summary Invoice, the TO may attempt to recover using an eBill first. If the amount is not recovered, the TO will notify GSA, Office of Transportation and Property Management, Audit Division (FBA), 1800 F Street, NW, Washington, DC 20405-5000, who has post-payment audit responsibility. GSA will then recover these overpayments from the carrier.

c. Manual Approval of Payment.

(1) Transactions that are not automatically approved for payment must be approved manually. Wherever possible, a separation of duties will be maintained and the person who approves carrier payment will be different from the person who created the BL.

(2) The TO must approve payment for the amount they determine the Government is responsible to pay. Overpayments that are detected prior to the Summary Invoice being generated will be resolved using the eBill process and documented in TPPS Notes for the purposes of invoice certification and post payment examination.

(3) For shipments that are approved manually, the TO must take one of the following actions within 3 GBDs after notification of delivery (or lift, depending upon the mode of transportation):

(a) Approve the payment.

(b) Have the carrier adjust the price, and then approve the payment. (For example, if a shipment is delivered after the RDD, and the price paid is contingent on timely delivery, the TO will have the carrier adjust the price in TPPS prior to approval, and record the reason in a TPPS Note). TOs cannot adjust the billing amount in TPPS, only the carriers can. Upon payment approval, TPPS always pays the carriers the amount in the billed column.

(c) Place on "hold" and request additional information from the carrier, using a TPPS Note. The carrier must respond within 3 GBDs. Note that placing a transaction on "hold" gives the TO an extra 3 GBDs to research the transaction.

(d) Deny payment and record the reason in a TPPS Note. To "deny" a bill is intended to communicate a final decision (e.g., that the TO does not intend to entertain any payment on a transaction).

(4) Once a carrier responds on a "hold" transaction, the TO has 3 GBDs to approve or deny payment or to continue a "notes" exchange with the carrier until resolution is achieved.

(5) As noted in Paragraph 5.c.(3)b above, the TO can update a transaction in TPPS before TPPS contractor pays the carrier, either directly in TPPS or as an update from the shipper system (e.g., GFM, CMOS, or DSS). In those situations where transactions are updated, the TO that approved the change must attach a Note to the transaction in TPPS explaining why the change was made. Notes are permanent and cannot be edited or deleted once entered in TPPS.

(6) After the TPPS contractor has paid the carrier and prior to the Summary Invoice being generated, any changes to price or shipment data must be entered into TPPS via the eBill process.

6. TPPS Summary Invoice Certification.

a. Procedures for the Certifying Officer (CO) Legislation apply. The responsibilities for CO, accountable officials, and reviewing officials are contained in the Department of Defense

Financial Management Regulation (DoDFMR) 7000.14-R, Volume 5, Chapter 5, Certifying Officers, Departmental Accountable Officials, and Review Officials. A CO will be a government employee (civil service or active duty military official) supervisor who has knowledge of the subject matter, background or experience in the preparation of a voucher for payment, knowledge of appropriations and other funds and accounting classifications, and knowledge of the payment process. All COs will be appointed by the issuance of a letter of appointment and the completion of a DD Form 577, Appointment/Termination Record – Authorized Signature, Figure 212-2. The original documents must be kept on file. When the CO leaves or is no longer performing certification duties, it is the appointing official's responsibility to terminate the CO's appointment by completing section IV of the DD 577 and submitting it to DFAS.

b. TOs will assign an individual who is not involved in payment approving and certifying processes to administer and control TPPS profiles.

NOTE: For the Navy, accessing and administering of TPPS profiles is a function of the Service representatives.

c. The CO will utilize the Open Summary Invoice Preview to "work ahead" and start researching Summary Invoice entries in advance to speed up the certification process. Continuing to access the Open Summary Invoice Preview throughout the month will allow certification reviews to be made daily, which will spread the certification workload throughout the month.

d. At a minimum, sites will review the Open Summary Invoice Preview no less than 48 business hours or 2 GBDs prior to the statement cycle date for the purpose of identifying any transactions that do not have a TAC/LOA or do not belong to the site account (i.e., "foreign transactions"). Army TOs must review the Open Summary Invoice Preview weekly, or more often depending on volume, to ensure all shipments have a correct TAC and LOA. Navy TOs must review the Preview at least once a week and every day for the last 3 GBDs prior to the cycle date to balance administrative workload and produce an invoice that ties all shipments to the correct TACs/LOAs. Any such discrepancies must be corrected promptly. Transactions that do not belong to the site account must be reported to the TPPS Customer Operations Help Desk for investigation and resolution. Always obtain a service request number from the TPPS Help Desk in such cases. DFAS charges the services/agencies significantly more to process manually billed accounting codes than electronically billed codes. Therefore, manually billed accounting codes must be converted to electronically billed accounting codes whenever possible. The TPPS contractor will make every effort to resolve these issues before the Summary Invoice cycle occurs.

e. If transactions not belonging to the site account (foreign transactions) are not discovered until after the Summary Invoice has been created and certified, the shipper organization/agency must notify TPPS contractor no later than 60 calendar days of the closeout of the Summary Invoice containing the disputed transactions. This notification of transaction dispute must be followed up in writing (e-mail or fax) to TPPS contractor with a copy to the Service/Agency HQ.

f. Errors discovered in accounting classifications can be corrected in the shipment record directly in TPPS up to the date of the Summary Invoice certification. Any LOA or TAC conversion errors must be corrected in the TPPS shipment record if possible, and documented, using the Notes function. Errors identified after the Summary Invoice is electronically certified must be manually (pen and ink) corrected on the Summary Invoice, and documented in TPPS with a Note. For Army auditability purposes, Army account holders who have electronically certified their Summary Invoices and then need to use pen and ink

procedures will apply a corrected LOA and annotate the transaction within TPPS with a Note, print the Summary Invoice, insert a Date Time Group (DTG), screen shot TGET TAC/LOA, identify the correct TAC/LOA on the screen shot, and fax a copy of all documents to DFAS. This will ensure auditors reviewing transactions after the fact can see where and why the LOA was changed after the Summary Invoice lockdown.

g. The Summary Invoice must be accessed through the TPPS website available at (https://network.syncada.com/usbank). The Summary Invoice will generally be available no later than 2 TPPS contractor business days after the end of the billing cycle. (Exception: If the billing cycle ends on a holiday or weekend, the Summary Invoice will be available not later than the third business day following the end of the billing cycle). The CO in the Designated Billing Office (DBO) will print the billing statement as soon as it is available. Use regulatory guidance to date stamp the Summary Invoice with the actual availability date in the TPPS. If the Summary Invoice is not available in the TPPS as stated above, contact the TPPS contractor Operations Help Desk, at (800) 417-1844 and note the reason in the discrepancy between the systemic statement availability and the date stamp by the DBO. The CO will print the Billing Statement as soon as it is available, and will stamp the actual availability date on the Summary Invoice. If the Summary Invoice is not received on time, contact the TPPS contractor Customer Operations Help Desk, at (800) 417-1844.

h. The CO must review the account activity noted in the upper portion of each Summary Invoice for past due amounts. The CO must immediately contact DFAS to report missing invoice payments previously submitted manually or electronically to DFAS. DFAS will respond to any CO/TO inquiries within 3 GBDs. The CO will provide DFAS with accurate Summary Invoices to facilitate timely payments to the TPPS contractor. Past-due amounts equate to late payments to the TPPS contractor and must be resolved between the DFAS payment center and the TPPS contractor. The TPPS contractor considers TPPS accounts past due upon the expiration of their contractual terms with DoD of "net payment in 30 days" and delinquent when any dollar amount is aged beyond two Summary Invoice cycles. Accounts with delinquent amounts aged beyond three cycles from the current statement cycle will be inactivated until payment is made to bring it current. While shipments can still be processed in shipper systems and TOs will still be able to access their TPPS accounts and approve payments to carriers, the TPPS contractor will not make those payments to the carriers until the account has been paid current and reinstated. Carrier requests to the TPPS contractor for payment status will be referred to the delinquent account Service/Agency HQs.

i. The CO will review the Summary Invoice from TPPS contractor to ensure that it reflects the actual carrier payments and transactions posted belong to the site. These transactions can be viewed in both a "Line Level Detail" and a summary view, both in download form. The download selections of the Summary Invoice are in comma separated variable length format fully compatible with Excel or Access. The CO will accomplish a prepayment review as required by the DoDFMR 7000.14-R, Volume 5, Chapter 5.

j. The CO certifies the Summary Invoice either electronically or manually. If the invoice contains manual charges, the CO must complete and sign a Prompt Payment Certification and Deduction, Figure 212-3, and fax it to DFAS, along with a copy of the manual section only of the Summary Invoice. A copy of the annotated Line Level Detail will be printed and attached to the Summary Invoice prior to forwarding to the DFAS payment center. The Summary Invoice must be sent to the DFAS payment center in sufficient time (but no later than 5 GBDs of the availability date) to allow DFAS to process it for payment, receive a refund for early payment, and avoid penalties under the Prompt Payment Act. (See Paragraph C.7.c.) Navy TOs or certifiers will submit the Statement Summary, along with Prompt Payment Certification and Deduction, Figure 212-3, to DFAS. The CO will retain a copy of the

certified Summary Invoice for records keeping and audit purposes. Follow Service/Agency requirements for records keeping (i.e., Army will maintain certified Summary Invoice for 76 months).

(1) One Summary Invoice will be created per TO TPPS account.

(2) Prior to certification of the Summary Invoice, the CO will review sampled LOAs and SDNs according to DoDFMR 7000.14-R, Volume 5, Chapter 5, to ensure they are valid based on supporting automated documentation.

(3) If the Summary Invoice is missing the shipper's appropriation or the appropriation is apparently incorrect, the CO will contact the shipping customer that requested the shipment/service to resolve the discrepancy. When notified, the TO will prepare a Note in TPPS documenting the actions taken to establish the correct appropriation, and the CO will correct the TAC/LOA in the Syncada transaction if the invoice has not yet been certified. If the invoice has been certified, the CO will make manual corrections to the Summary Invoice and certification form (and supporting Line Level Detail, if required by the Service).

(4) Designated DFAS payment centers (for addresses go to http://www.dfas.mil/careers/locations.html):

Navy	FRT/HHG DFAS-Indianapolis
Navy	NTS DFAS-Cleveland
Marine Corps	DFAS-Columbus
Army	FRT/HHG DFAS-Indianapolis
Army	NTS DFAS-Rome
Air Force	DFAS – See Appendix J
DLA	DFAS-Columbus
DCMA	DFAS-Columbus

k. For Navy activities, after submitting the Summary Invoice to DFAS via Right-Fax, TOs will also report submission of their Summary Invoice in the Financial Air Clearance Transportation System (FACTS).

7. Bank Payment.

a. The Summary Invoice is provided in HTML format along with supporting download files. Download options are generated in comma separated variable format and are fully compatible with Excel or Access. The Summary Invoice provides an overview of account activity and transaction billing information summarized at the LOA level. Depending on Service/Agency requirements for input into the shipper system, the LOA may or may not include the SDN. The line level detail lists all the transactions that were paid during the statement cycle and shows the carrier, BL number, date, shipment origin, destination, and freight cost. For Summary Invoices with manually billed accounting codes, Navy TOs or certifiers will submit only the Statement Summary along with Prompt Payment Certification and Deduction, Figure 212-3, to DFAS.

b. Where obligations are not recorded or are insufficient, posting or adjustments will be IAW DoDFMR, Volume 3, Chapter 8, Standards for Recording and Reviewing Commitments and Obligations. DFAS is responsible for posting or adjusting amounts of $2,500 or less to

the account cited; DFAS will notify and advise the FM of this action. DFAS will refer amounts in excess of $2,500 to the FM.

c. If the DFAS payment office receives a certified Summary Invoice with an LOA that is incorrect because the accounting data elements are incorrect or because of insufficient obligations, DFAS will work with the TO to correct the situation. Copies of orders or requisition may be required to identify valid financial information. If response to a DFAS inquiry to secure valid LOA information is not received within 72 hours, DFAS will reject the transaction back to the TO, thus risking interest penalties that may accumulate.

d. The terms of the contract with the TPPS contractor are Net 30 days. DFAS will compute and pay Prompt Payment Act interest when payment to the TPPS is made more than 30 days after the statement availability date of the Summary Invoice. The statement availability date is systematically generated and printed on the Summary Invoice. The DBO date stamp will be different only in cases where the TPPS does not generate invoices in the time specified by the contract. It is imperative COs complete their reviews and certifications of the Summary Invoices and ensure they are sent to the DFAS payment center within 5 GBDs of their availability. Additionally, a contractual incentive provides the Federal Government with a rebate when all payments are made in less than 30 file turn days.

NOTE: File Turn = Average Net Receivable/(Sales in Refund Period/Days in Refund Period). File Turn is a dollar weighted measure of the length of time between the TPPS contractor paying carriers for transportation services and the DoD reimbursing the TPPS contractor for those payments. For file turn computation, all transactions made during the previous calendar month are averaged by dollar amount and weighted by the number of days that the loans aged during the month. It is based on calendar days.

e. The faster payments are made to the TPPS contractor, the more refund dollars the DoD could realize. DFAS will track and distribute appropriation refunds returned to the DoD via this process.

8. User Access, Password, and Profile Procedures.

a. User Access Privileges.

(1) User access to the TPPS will be established by the parent/Service organization at the lowest level that permits the user to accomplish his/her job. Services/Agencies must ensure a method is in place to authenticate requests for TPPS access before issuing passwords. User access is established according to the following general hierarchy (lowest to highest) in the TPPS: site level, Service/Agency level, and DoD-wide level. Access may be granted as either “operational” or “view-only”.

NOTE: DoD-wide access will only be permitted in a “view-only” mode. Any request for DoD-wide access must include written justification and be coordinated with the Service/Agency POC.

(2) Each Service/Agency will establish its respective TPPS system administrators. This system administrator function is responsible for maintaining user accounts in the TPPS’s Profile Manager tool for internal management control purposes. At a minimum, the user list must be reviewed every 6 months to ensure the user is still active and the level of access granted is still valid. Service POCs will disable any user account not accessed within the current quarter and establish procedures to identify and disable accounts for those personnel who PCS, separate, retire, terminate employment, or move to positions where TPPS access is no longer required.

b. Password and Profile Procedures.

(1) The User ID and Password fields control the user's access to the TPPS. The user ID issued by the TPPS is unique to its owner and does not change. When the user account is first set up, the user receives a temporary password with instructions to change the temporary password. For security purposes, the TPPS allows the user to change his/her password periodically.

(2) If the user is unsuccessful after three attempts to log on, the TPPS will automatically disable the user ID and password, and the user must contact their TPPS system administrator to reset the password for the user ID before being allowed to log on again. Services/Agencies must ensure procedures are in place where system administrators authenticate the user's identity prior to reinstating an account.

(3) Users must be briefed on the importance of protecting their user IDs and passwords, to include the requirement to report any suspicious activity, fraud, waste, and abuse. Users are strictly prohibited from sharing user ID/password information with anyone for the purposes of accessing the TPPS. Users must employ computer security measures and never leave a workstation unprotected while logged in. The TPPS employs an automatic logout feature for inactive workstations to assist in this area. If the TPPS detects no activity for 30 minutes in a current session, the user will automatically be logged out and will need to reenter his or her user ID and password to reactivate the TPPS.

(4) The user profile identifies TPPS users, creates User IDs and passwords, and determines approval levels, approval level amounts, operation filters (what the user can see and modify), and data filters.

NOTE: The TPPS system administrator appointed at each TO to administer and control TPPS profiles will not be involved in the payment approving and certifying process with the TPPS.

9. Dispute Resolution.

a. The following guidelines will be followed regarding the creation of eBills for resolving under/overpayments:

(1) A carrier may make a price adjustment before payment is approved in the TPPS. The carrier will explain the reason for that adjustment in a TPPS Note. If the carrier payment has already been approved, the carrier may submit an eBill up to 16 months after payment. Before a price adjustment can be requested, a billing dispute must first go through the eBill process using the dispute process available through the dispute resolution office (i.e., SDDC Operations or AMC Contracting). At a minimum, a request to the SDDC Operations must include POC information (name, phone number, e-mail address), the origin BLOC, the BL number, the Shipment Routing ID (from the service shipper system), and a statement of the problem or issue. The request may be e-mailed to CostQuestions@sddc.army.mil; mailed to SDDC Operations, 1 Soldier Way, Building 1900 West, Scott AFB IL 62225 Scott AFB, IL 62225; or made by phone at DSN 770-5118, (618) 220-5118, or (800) 722-0727. If this action fails to resolve the dispute, the final level of dispute adjudication will be the GSA, Office of Transportation and Property Management, Audit Division (FBA), 1800 F Street, NW, Washington, DC 20405-5000. Price disputes that cannot be resolved by the AMC contracting officer will be forwarded to the General Services Board of Contract Appeals, 1800 F Street NW, Washington, DC 20405-5000, for resolution.

(2) Either the TO or the carrier can submit an eBill. After the eBill is submitted to the TPPS, the other party will have 3 GBDs to respond.

(3) The TO must take one of the following actions within 3 GBDs of receiving an eBill from the carrier:

(a) Approve payment

(b) Deny payment (remarks documented in a TPPS Note required indicating why payment was denied)

(c) Hold payment (remarks required requesting clarification or more information).

(4) The carrier must take one of the following actions within 3 GBDs of receiving an eBill from the TO:

(a) Approve for credit

(b) Deny credit (remarks using the Notes function to indicate why credit was denied)

(c) Hold credit (remarks using the Notes function required requesting clarification or more information).

b. When the TO or carrier creates an eBill, reference will be made to the original BL (or carrier shipment) number or the user will append sequential letters to the BL (or carrier shipment) number for each eBill created. For example, if the BL (or carrier shipment) number is MC9912345, the first eBill will be assigned the identifier of MC9912345A, the second eBill will be assigned the identifier of MC9912345B, and so forth. The eBill must also be electronically linked to either the original BL or carrier invoice.

c. Price disputes that cannot be resolved between the TO and the carrier after 60 days will be forwarded to SDDC Operations (or the AMC Contracting Officer for COMALOC disputes) for resolution. Follow the procedures identified in Paragraph C.9.a above.

d. Any adjustments in the original payment estimate must be documented in a TPPS Note for the purposes of invoice certification and post payment examination.

10. TPPS contractor Escalation Process for Delinquent Accounts.

a. The TPPS accounts are considered "past due" if not paid within 30 days of invoice and will be considered delinquent when any dollar amount has aged two cycles from the current statement cycle. Because of the "net 30-day" terms for the TPPS, meaning the net amount is due within 30 days, the first "late" period is labeled as 30 days, with 30-day sequencing after the first period.

b. Service/Agency HQ will use on-line reports available in the TPPS to resolve all past due amounts on their buyer accounts, with immediate action required on any with amounts in, or above, 75 days past due status. When an account moves into the 75 days past due status (three cycles), TPPS contractor will notify the Service/Agency HQ focal point for accelerated action to bring the account back into a current status before the expiration of the current cycle.

c. When an account moves into the 105 days past due status (four cycles), it will be suspended by the TPPS contractor until payment(s) is/are received to bring it current.

NOTE: The TPPS system will appear to work as normal on a suspended account. Shipments can still be processed; however, carriers will not be paid by the TPPS contractor.

d. When requested by the Services, exceptions may be granted by the TPPS contractor in extenuating circumstances (e.g., national emergencies, natural disasters). Extensions to the 105 day past due deadline may also be granted on a case-by-case basis. Evidence of progress

(i.e., payments received) must be provided as well as a documented plan of remediation for any delinquent balances.

11. DoD Preventative and Corrective Procedures:

    a. Shipper Sites/TO Action: Review Summary Invoice under the Account Activity section for any Past Due Amount identified and work with the DFAS counterpart to resolve issues affecting disbursement on the account (e.g., invalid LOA, manual corrections erroneously made on Summary Invoice). Sites will accrue Prompt Payment-interest penalties assessed by DFAS for all amounts shown in this area. Aggressively follow up with the DFAS POC and TPPS contractor (Customer Operations Help Desk, (800) 417-1844) to ensure payments are made and posted once issues are resolved.

    b. Service/Agency HQ Action: Randomly review Summary Invoices on accounts under their jurisdiction. Provide oversight and assistance to ensure past due amounts/accounts are paid.

        (1) When notified that accounts have amounts in, or above, the 75 days past-due status, take action to ensure the account is brought current before expiration of the current cycle.

        (2) Notify shipper site that when their account moves into the 105 days past-due status (four cycles), it will be suspended until payment(s) is/are received to bring it current.

    c. DFAS Payment Center Action:

        (1) If invalid/erroneous LOAs are used and DFAS cannot resolve LOAs with Services within 3 GBDs, DFAS will apply the alternate LOA to pay the TPPS contractor within the payment terms.

            NOTE: For Army account holders, the Army does not provide an alternate LOA.

        (2) DFAS POC will work with shipper site/HQ POC to resolve problems, following guidelines established in their Interim Manual Operating Procedures.

        (3) DFAS will assist to resolve payment center issues and notify the Office of the Secretary of Defense (Comptroller) of unresolved issues.

    d. TPPS contractor Action: Once accounts have been paid current, they will be reactivated immediately by the TPPS contractor.

12. DoD Disputed Transaction Resolution Procedures:

    a. A disputed transaction is a TPPS transaction the shipper TO (account holder) has identified as not originating at their location and not belonging to their account. The shipper Service/Agency HQ will serve as the focal point for disputing transactions on a shipper's Summary Invoice. Responsibilities include:

        (1) Reporting disputed transactions to the TPPS contractor

        (2) Tracking disputed transactions

        (3) Assisting the shipper site in resolving disputed transactions

        (4) Analyzing and monitoring the TPPS contractor actions on transaction disputes.

    b. Procedures: Shipper sites with active TPPS account(s) will review their on-line "Open" Summary Invoice frequently during each period. At a minimum, sites will review the "Open" invoice no less than 2 GBDs prior to the statement cycle date. For Navy, review of "Open Invoice" will be done at least once a week and daily starting 3 days prior to the end of the cycle. The shipper site will identify, document, and report any "foreign transaction" to the TPPS Customer Operations Help Desk for resolution. The TPPS contractor will make

every effort to resolve a disputed transaction before the cycle date occurs. If the TPPS contractor cannot resolve the issues before statements are issued, the following steps will be used:

(1) When disputed transactions are identified after the Summary Invoice has been generated but before it has been certified, the CO must identify the disputed transactions and adjust the totals accordingly, prior to certifying the document. Reference Chapter 5 of Volume 5 of the DoDFMR 7000.14-R, regarding CO liability. Report the discrepancy immediately to the TPPS contractor as noted above, with an information copy to the shipper site Service/Agency HQ.

(2) If the discrepancy is not discovered until after the Summary Invoice has been certified, the shipper site must notify the Service/Agency HQ and TPPS contractor no later than 60 calendar days of the closeout of the Summary Invoice containing the disputed transaction(s). Notification must be made by calling the TPPS Help Desk at (800) 417-1844 and must be followed up in writing (fax or e-mail) to: TPPS contractor TPPS Customer Operations, 1010 South 7th Street, Minneapolis, MN 55415, with a copy to the Service/Agency HQ (either fax or mail).

c. The TPPS contractor will not suspend any account for amounts in dispute.

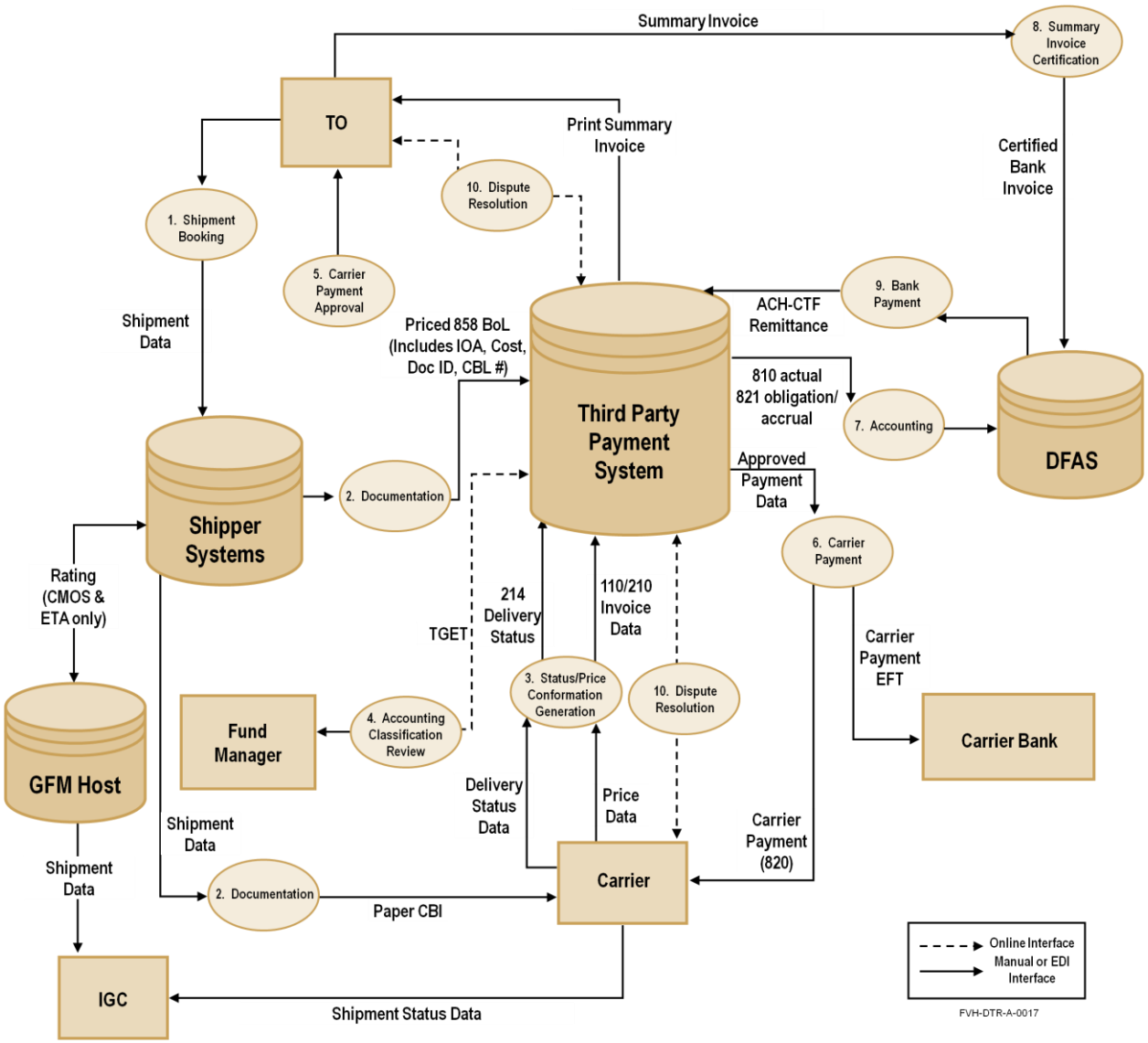

Figure 212-1. Commercial Payment Process Flow Diagram

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE
(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. Sections 3325, 3528, DoDFMR, 7000.14-R, Vol. 5.
PRINCIPAL PURPOSE(S): To maintain a record of appointment and termination of appointment of persons to any of the positions listed in Item 6, and to identify the duties associated with this appointment.
SORN T1300 (http://dpclo.defense.gov/Pricacy/SORNsIndex/DODComponentArticleView/tabid/7489/Article/6235/t1300.aspx)
ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the Federal Reserve Banks to verify authority of the appointed individuals to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published at:
http://dpclo.defense.gov/Privacy/SORNsIndex/BlanketRoutineUses.aspx.
DISCLOSURE Voluntary; however, failure to provide the requested information may preclude appointments.

SECTION I - APPOINTEE

1. NAME *(First, Middle Initial, Last and Rank or Grade)*	2. DoD ID NUMBER	3. TITLE
4. DOD COMPONENT/ORGANIZATION	5. ADDRESS *(Include ZIP Code, email address, and telephone number with area code and DSN)*	

6. POSITION TO WHICH APPOINTED *(X appropriate box - one only. Checking more than one invalidates the appointment.)*

☐ DISBURSING OFFICER: DSSN _____	☐ CASHIER	☐ CHANGE FUND CUSTODIAN
☐ DEPUTY DISBURSING OFFICER: DSSN _____	☐ PAYING AGENT	☐ IMPREST FUND CASHIER
☐ CERTIFYING OFFICER	☐ COLLECTIONS AGENT	☐ SAFEKEEPING CUSTODIAN
☐ DEPARTMENTAL ACCOUNTABLE OFFICIAL	☐ DISBURSING AGENT	☐ ASSISTANT SAFEKEEPING CUSTODIAN

7. YOU ARE APPOINTED TO SERVE IN THE POSITION IDENTIFIED IN ITEM 6. YOUR RESPONSIBILITIES INCLUDE:

8. REVIEW AND ADHERE TO THE FOLLOWING PUBLICATION(S) NEEDED TO ADEQUATELY PERFORM YOUR ASSIGNED DUTIES:

SECTION II - APPOINTING AUTHORITY

9. NAME *(First, Middle Initial, Last)*	10. TITLE	11. DOD COMPONENT/ORGANIZATION
12. DATE *(YYYYMMDD)*	13. SIGNATURE	

SECTION III - APPOINTEE ACKNOWLEDGEMENT

I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds or payment certification, as appropriate, under my control. I have been counseled on my pecuniary liability applicable to this appointment and have been given written operating instructions. I certify that my official signature is shown in item 16 below.

14. PRINTED NAME *(First, Middle Initial, Last)*	15. DATE *(YYYYMMDD) (Not earlier than date in Item 12 or 13)*
16.a. DIGITAL SIGNATURE	16.b. MANUAL SIGNATURE

SECTION IV - APPOINTMENT TERMINATION

The appointment of the individual named above is hereby revoked.	17. DATE *(YYYYMMDD)*	18. APPOINTEE INITIALS
19. NAME OF APPOINTING AUTHORITY	20. TITLE	21. APPOINTING AUTHORITY SIGNATURE

DD FORM 577, NOV 2014 PREVIOUS EDITION IS OBSOLETE. Adobe Designer 9.0

Figure 212-2. DD Form 577, Appointment/Termination Record – Authorized Signature

INSTRUCTIONS FOR COMPLETING
APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

Use this form to:

1. Appoint disbursing officers and their agents, e.g., deputy disbursing officers, disbursing agents, paying agents, cashiers, imprest fund cashiers, change fund custodians, and collection agents.

2. Appoint certifying officers. Certifying officers are those individuals, military or civilian, designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher for payment.

3. Appoint departmental officials. Departmental officials are those individuals, military or civilian, who are designated in writing and are not otherwise accountable under applicable law, who provide source information, data or service on which a certifying officer relies when certifying vouchers as correct and proper for payment.

4. Appoint safekeeping custodians or assistants. Appointees to these positions are not subject to pecuniary liability.

5. Governing guidance is in the Department of Defense Financial Management Regulation, Volume 5 (Disbursing Policy).

SECTION I.

1. Enter the Appointee's name and rank or grade.

2. Enter the Appointee's 10-digit DoD Identification Number.

3. Enter the Appointee's title.

4. - 5. Enter the name, complete address (to include e-mail address), and telephone number (include DSN when available) of the DoD Component or activity to which appointed.

6. Mark X in the appropriate box to indicate the duty the appointee will perform (select only one). If appointing a disbursing officer or deputy disbursing officer, enter the appropriate DSSN in the space provided.

7. The appointing authority identifies the types of payments affected, but need only be specific as he or she considers necessary, and may include any other pertinent, applicable information (e.g., system involved).

8. List all publications the Appointee must review and follow in order to adequately fulfill the requirements of the appointment.

SECTION II.

9. - 12. Enter the appointing authority's name, title, DoD Component/Organization location, and date signed.

13. The appointing authority must enter his or her manual or digital signature. If signature is digital, completing item 12 is not required since the digital signature includes the date; enter only after completion of items 1 through 11, as this signature will "lock" those items.

SECTION III.

14. - 16. The appointee enters his or her name and digital (16a) or manual (16b) signature, or both, depending on type(s) of signature(s) to be employed, in the appropriate spaces. If the signature is manual (16b), complete item 15, but if the signature is ONLY digital (16a), completing item 15 is not required since the digital signature includes the date. If the appointee enters both manual and digital signatures, the dates in items 15 and 16a must match. The date in item 15 (or 16a if signed digitally) cannot be earlier than the date in item 12 or 13. The appointment is effective on the date of acceptance by the appointee, and is not in force without his or her acknowledgement.

SECTION IV.

Completing this section terminates the original appointment. If partial authority is to be retained, complete a new DD Form 577.

17. Enter the date the termination is effective. Completion of this item is not required if item 21 is signed digitally, since the electronic signature includes the date.

18. The appointee initials in the space provided acknowledging revocation of the appointment.

19. - 21. The appointing authority enters his or her name, title and signature (which may be digital) in the spaces provided.

DD FORM 577 (BACK), NOV 2014

Figure 212-2. DD Form 577, Appointment/Termination Record – Authorized Signature (Cont'd)

PROMPT PAYMENT CERTIFICATION AND DEDUCTION
(DATES MU.S.T BE IN YY-MM-DD FORMAT)

INVOICE DATE: _____

DATE INVOICE RECEIVED BY CERTIFYING ACTIVITY:

DATE FORWARDED FOR PAYMENT: _____

GROSS AMOUNT OF INVOICE: _____

AMOUNT CERTIFIED FOR PAYMENT:

ACCOUNTING DATA:

CERTIFYING ACTIVITY'S UIC/DODAAC: _____

DEDUCTION AMOUNT: _____

REASON FOR DEDUCTION: _____

_____

CONTRACT NUMBER (PIIN): _____

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE ACCOUNTING DATA PROVIDED IS ACCURATE, AND THE ATTACHED INVOICE IS CORRECT AND PROPER FOR PAYMENT.

_____
(SIGNATURE) (DATE)

(PRINTED NAME AND TITLE)

_____
(ACTIVITY) (PHONE NUMBER)

(E-MAIL ADDRESS) (FAX NUMBER)

Figure 212-3. Prompt Payment Certification and Deduction

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