

## APPENDIX A-A

### THIRD PARTY PAYMENT SYSTEM (TPPS)

#### A. Introduction

This appendix describes the Defense Personal Property Program (DP3) guidelines and procedures for electronic bill payment processes using the Defense Personal Property System (DPS). These payment processes use the Department of Defense (DoD) TPPS as a payment tool to reimburse Transportation Service Providers (TSP) for services rendered, provide information visibility for stakeholders, improve the Defense Finance and Accounting Service (DFAS) and Finance Center (FINCEN) payment and collection process, and reduce paper documentation.

1. Scope:

- a. These procedures apply to all the Services' and Coast Guard's Personal Property Shipping Offices (PPSO) and participating commercial TSPs. In order to participate in the DP3, TSPs must be DoD-approved and have a trading partner agreement on file with the TPPS provider. Any personal property shipment that moves on a bill of lading (BL) is a part of these procedures, with the exception of:

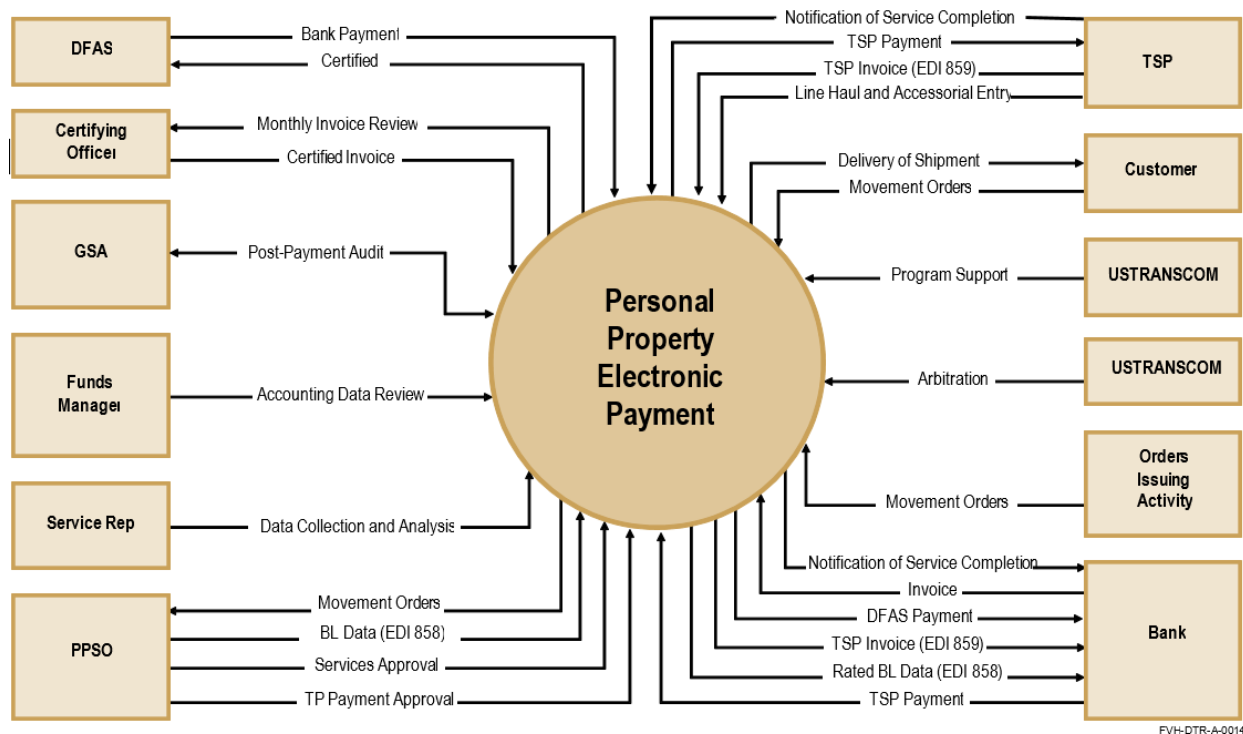
- (1) Shipments moved under contracts (e.g., delivery out of Storage In Transit [SIT] after conversion to the customer's expense).
- (2) Direct Procurement Method (DPM).
- (3) Personally Procured Moves.
- (4) Shipments moved under Privately Owned Vehicle (POV) contracts.

**NOTE:** Non-temporary storage (NTS) invoicing procedures are contained in [Paragraph G](#) of this appendix.

#### B. Roles and Responsibilities

1. Key Organizations/Stakeholders:

- a. [Figure A-A-1](#) is a high-level context diagram of the organizations/stakeholders involved in the electronic payment of Personal Property. The figure is followed by a description of the roles and responsibilities of the stakeholders.



**Figure A-A-1. Context Diagram**

2. The Personal Property electronic payment stakeholders:

- a. Order/Authorization Issuing Activity: The Order/Authorization Issuing Activity issues the movement order/authorization to the customer. This activity is responsible for relaying correct, valid, and appropriated accounting information on each order/authorization to include valid Transportation Account Code (TAC) and/or Standard Document Number (SDN).
- b. Funds Manager (FM): The FM is responsible for the funds cited. FM are individuals commonly located at command-level who manage financial resources to include major activity, sub-activity directors, and their representatives who are delegated fund certification responsibility. The FM resolves TAC/Line of Accounting (LOA)/Movement Designator Code (MDC) disputes with Orders Issuing Activity. The FM ensures sufficient funding levels that permit the timely payment of the TPPS Summary Invoice.
- c. Service Representative: Services are represented on the TPPS team. Each representative is responsible for Service-specific issue resolution, implementation coordination, and analysis. In addition, each Service representative works with the implementation team to make recommendations based on issues identified during implementation efforts.
- d. PPSO: The PPSO is responsible for receiving and processing movement orders using the DPS. The PPSO provides a BL to the TSP/agent. The PPSO resolves billing disputes with the TSP. The PPSO uses the DPS to approve invoices and generate an Electronic Data Interchange (EDI) 858 containing the Line-Haul (LH) and accessorial data, which is rated and sent to the TPPS. The PPSO is also responsible for approving TSP payment in TPPS as necessary.
- e. TSP: The TSP performs required services at origin and destination; picks up the shipment; transports the shipment to destination; provides destination delivery services; and provides weight tickets within seven (7) Government Business Days (GBD) after shipment pickup, as well as other supporting documents as required by each individual Service Headquarters

(HQ) (see note below). The TSP submits an EDI 859 invoice, along with a Notification of Service Completion (NOSC) to signal a completed invoice. TSPs can also use the Web interface in TPPS to build an invoice. The TSP is responsible for entering all accessorial services, weights, actual pickup date, actual delivery date to/from residence origin, and destination or SIT facility and for obtaining all required pre-approvals. The TSP receives payment from the TPPS and works with the PPSO to process any credit adjustments via the TPPS. TSPs are responsible for the resolution of all invoices in “Audit Exception” status in the TPPS.

**NOTE:** Air Force and Navy documentation requirements are as follows: (1) for domestic shipments processed by an Air Force shipping office: weighted BL (Gross/Tare/Net/Pro Gear weights); weight tickets; DD Form 619, Statement of Accessorial Services Performed, [Figure A-A-3](#); inventories; and third-party approval/invoices; and (2) for international shipments: weighted BL (Gross/Tare/Net/Pro Gear weights), weight tickets, inventories, and third-party approval/invoices. DD Form 619, [Figure A-A-3](#), will be furnished when applicable.

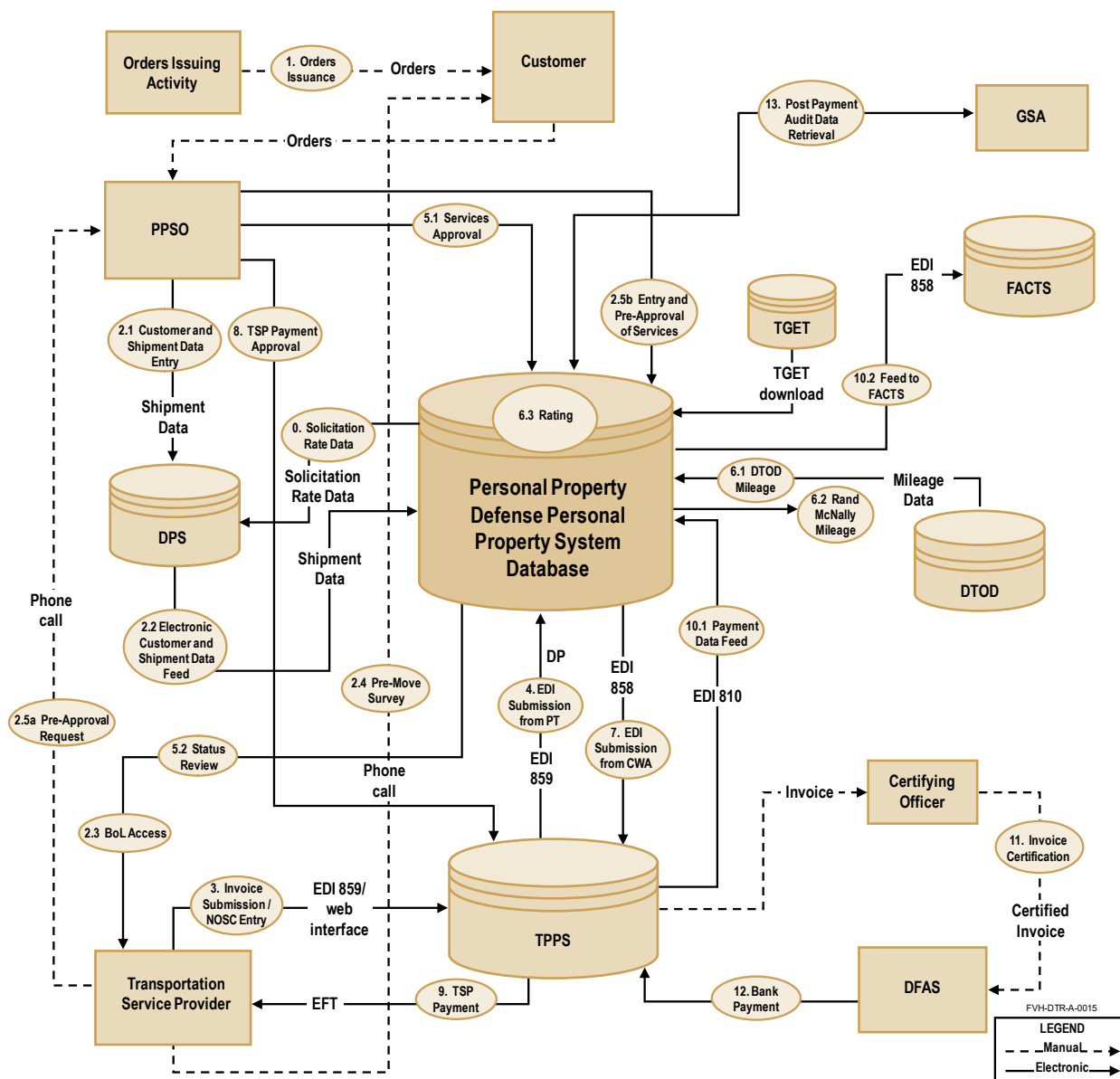
- f. [TPPS Contractor](#). The DoD designated bank is responsible for issuing payment to TSPs based on the charges that are either automatically or manually approved by the PPSO in DPS. The bank also generates a Summary Invoice that is provided to the PPSO for approval and payment. The bank subsequently receives reimbursement from DFAS/FINCEN.
- g. [Accountable Official](#): An individual responsible for providing a certifying officer with information, data, or services needed or required in the certification of vouchers for payment.
- h. [Certifying Officer \(CO\)](#): An individual designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher, or other documents. A certifying officer is pecuniary liable for payments in accordance with (IAW) 31 U.S.C. 3528. (reference Department of Defense Financial Management Regulation [DoDFMR] 7000.14-R). The CO, who is designated or appointed by the Service or Coast Guard authority, is responsible for certifying the TPPS Summary Invoice. The CO must be a United States (U.S.) Government employee who does not disburse U.S. Government funds. The CO must print the Summary Invoice each billing cycle and certify the charges. After reviewing and signing the invoice, the CO submits the certified invoice to DFAS/FINCEN for payment to the bank. The CO certifies electronically for FA2 LOAs relayed by the DPS to the TPPS and prints the hard-copy Summary Invoice with text LOAs.

**NOTE:** The appointed CO must be a DoD military, non-DoD military, U.S. civilian, or "direct hire" foreign local national civilian customer or a federal civilian employee of a non-DoD agency.
- i. [DFAS/FINCEN](#): As the disbursement agency, DFAS/FINCEN receives the certified Summary Invoices from the CO and processes the payments to the bank.
- j. [United States Transportation Command \(USTRANSCOM\)](#): USTRANSCOM is responsible for monitoring the accuracy of DPS’s rating engine for personal property shipments and administering the DoD Personal Property Shipment and Storage Programs. USTRANSCOM assists the Services and TSPs in the resolution of disputed charges. USTRANSCOM provides program oversight as well as regulatory and statutory support.
- k. [General Services Administration \(GSA\)](#): GSA is responsible for overseeing the pre-payment audit, performing the post-payment audits, and conducting administrative reviews. GSA relays their findings for the Armed Forces’ and USTRANSCOM’s guidance.

1. **Customer:** The customer receives a movement order/authorization from the Orders Issuing Activity and relays the order/authorization to the PPSO or Personal Property Processing Office (PPPO). The customer must sign documents as required.

3. **Implementation and Process Flow:**

- a. **Figure A-A-2** presents a step-by-step process flow diagram of the DP3 Electronic Bill (eBill) Payment process. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows. Each process is described following the graphic depiction.



**Figure A-A-2. Electronic Bill Payment Process**

- (1) **0.0 Solicitation Rate Data.** Solicitation rate data is exported from DPS History into the DPS.
- (2) **1.0 Order/Authorization Issuance.** The Orders Issuing Activity prepares the order/authorization and that activity's funds management office ensures that the proper

accounting data (e.g., LOA, TAC, and MDC) is entered on the Transfer Orders Document (TOD). The order/authorization is given to the customer. The customer provides the order/authorization to the PPSO.

- (3) [2.1 Customer and Shipment Data Entry](#). The customer presents the order/authorization to the PPSO. The PPSO enters the shipment and accounting data into DPS. The BL is normally printed by the TSP. If the PPSO prints the BL, the original must be provided to the TSP. Customers have the option of self-counseling. If self-counseling is chosen, the customer must enter the move data and establish their shipment in the DPS and provide a copy of their order/authorization to the servicing PPSO.
- (4) [2.2 Electronic Customer and Shipment Data Feed](#). The DPS receives downloads from the Transportation Global Edit Table-Revised (TGET-R) and converts appropriation data to FA2 format for each BL received from the DPS.
- (5) [2.3 BL Access](#). The TSP and other authorized organizations (for example GSA) can print BLs from the DPS via the Web.
- (6) [2.4 Pre-Move Survey](#). The TSP performs a pre-move survey and identifies accessorial services requiring pre-approval (i.e., approved by PPSO before the TSP performs services).
- (7) [2.5a Pre-Approval Request](#). The TSP/agent must request pre-approvals online via the DPS.
- (8) [2.5b Entry and Pre-Approval of Services](#). The PPSO enters approval/disapproval within three (3) GBDs for pre-approval services requested by the TSP/agent.
- (9) [3.0 Invoice Submission/NOSC Entry](#). After delivery to SIT or the residence, the TSP submits an invoice for services provided to the TPPS, along with NOSC indicating the transit status for LH and accessorial services. The invoice and NOSC can be submitted either electronically in an EDI 859 or manually via the TPPS Web interface.

The TSP must provide the weight tickets, as well as other supporting documents as required by each individual HQ (see note below), to the PPSO within seven (7) GBDs after shipment pickup and maintain copies of all supporting documents for audit and dispute purposes (see note below). Documents such as the annotated BL, inventory, and customer-signed DD Form 619 are randomly requested for the PPSO review or must be provided to the PPSO as required by Service policy, by either electronic or manual means. If weight tickets and all supporting documents are not received by the PPSO in a timely manner, the PPSO places affected line-haul service (LHS) items in a dispute status.

**NOTE:** Air Force and Navy documentation requirements are as follows: (1) for domestic shipments processed by an Air Force or Navy shipping office: weighted BL (Gross/Tare/Net/Pro Gear weights), weight tickets, DD Form 619 ([Figure A-A-3](#)), inventories, and third-party approval/invoices; and (2) for international shipments: weighted BL (Gross/Tare/Net/Pro Gear weights), weight tickets, inventories, and third-party approval/invoices. DD Form 619 and/or DD Form 619-1 will be furnished when applicable.

- (10) [4.0 EDI 859 Submission from TPPS](#). TPPS sends the information from the invoice needed for rating to DPS along with a unique TPPS assigned line-item identifier.
- (11) [5.1 Services Approval](#). Origin and destination PPSOs must approve or deny the requested services (LH and accessories) in the DPS. A denied status and note stating why the line item was denied must be given if the PPSO does not agree with the item

submitted for payment. The TSP and PPSO must resolve disagreements in the DPS, where both origin and destination PPSOs have visibility of the line items submitted for approval. Although invoice visibility is available to both the origin and destination PPSOs in the DPS, the destination PPSO does not have visibility in the TPPS.

- (12) [5.2 Status Review](#). TSPs can review approval status of services via the DPS' Web interface. The TSP can adjust the quantity for the PPSO to review and approve only if all line items have not been approved or denied.
- (13) [6.1 Defense Table of Distance \(DTOD\)](#). The DPS transmits the From and To location information to the DTOD for International Through Government Bill of Lading shipments (ITGBL). The DTOD returns the number of miles between the two location points.
  - (a) Rand McNally Mileage Guide: The Rand McNally Mileage Guide establishes a uniform method of computing the shortest distance (in miles) between two points for Through Government Bill of Lading (TGBL) shipments and motor carrier tariff purposes. The Tariff 400NG uses the Rand McNally Mileage Guide for Base Point Cities (BPC). The BPC is taken from the National three-digit zip directory.
- (14) [6.2 Rating](#). After services on the invoices are approved or denied, the DPS rates the line items. For approved line items the DPS will rate the item and post a cost. For denied line items, the DPS will not rate the item and assign a cost of zero.
- (15) [7.0 EDI 858 Submissions from the DPS](#). The DPS feeds an EDI 858 containing data for rated LH and accessorial services, and denied services (with a quantity of zero and zero dollars) to the TPPS.
- (16) [8.0 TSP Payment Approval](#). The TPPS compares the TSP cost data against the DPS cost data using the Matching Model with multiple invoices per BL. The TPPS “matches” data for each invoice at the line-item level. The shipper/DoD side of the transaction establishes the maximum total dollar amount that can be paid to the TSP for an invoice.

If there are services submitted for each side, the shipper and TSP must match costs within the predetermined tolerance on the line-item total. The TPPS flags invoices as an “Audit Exception” if the line-item costs are not within tolerance. If all the invoice line-item dollar amounts are equal (or within the tolerance) the invoice is automatically approved for payment.

If an audit exception exists, the TSP must adjust their cost to match the DPS data. After the cost has been updated and matched, the transaction automatically approves. A TSP using EDI 859 for invoice submission has the option to resubmit a corrected EDI 859 with updated quantities and/or rates or use the Web interface to make adjustments. No PPSO action is required in the TPPS for invoices in the Audit Exception status.

In those cases, in which the DPS provides an incorrect billing rate, the TSP must match the incorrect rate. The TPPS processes the invoice and automatically approves the payment. The TSP must submit a supplemental invoice for the difference between the published rate solicitation and the incorrect DPS billing rate. When billing a supplemental invoice, the TSP must annotate that the line item is a re-bill to correct an incorrect billing rate. This notifies the PPSO that the line item is a re-bill of the difference from a previously submitted invoice. The TSP Prompt Pay Interest (PPI) requirements are defined in [Paragraph C](#).

Matching to incorrect billing rates does not forfeit PPI as defined in [Paragraph C](#). If a supplemental invoice is submitted, the 30-day clock starts upon submission of the new

invoice. USTRANSCOM monitors the items in Audit Exception and publishes metrics identifying TSPs and the number of Audit Exception transactions on a specific date.

TPPS also ensures the total cost of the invoice is less than a predetermined maximum price threshold. The purpose of this threshold is to flag shipments whose costs are at or above the predetermined maximum price limit for further review prior to approval for payment. Using historical data, the Services determine the maximum price threshold.

If the line-item costs are within the established tolerance and the total invoice cost is less than the maximum established threshold, the TPPS automatically “Approves” payment of the TSP invoice. If the total cost is above the maximum threshold, the TPPS flags the invoice as being in “Approval Required” status. The PPSO then must manually approve the invoice for payment on the TPPS. No TSP action is required in the TPPS for invoices in Approval Required status. The PPSO has three (3) GBDs to approve invoices in Approval Required status.

Examples of Auto Approval/Audit Exception under Line-Item Matching.

LH and Accessorial Line-Item Tolerance is +/- \$10 (value is purely for example) and Invoice Threshold is <= \$1,500 (value is purely for example)

Example #1:

Government Cost	<u>\$1,290</u>
LH	\$1,000
Accessorial A	\$200
Accessorial B	\$90
TSP Cost	<u>\$1,301</u>
LH	\$1,000
Accessorial A	\$205
Accessorial B	\$96
Total cost	< \$1,500
AND Cost difference on individual line items	< \$10
TPPS approves for Payment	

Example #2:

Government Cost	<u>\$1,290</u>
LH	\$1,000
Accessorial A	\$200
Accessorial B	\$90
TSP Cost	<u>\$1,307</u>
LH	\$1,000
Accessorial A	\$211
Accessorial B	\$96
Total cost	< \$1,500
BUT Cost difference on Accessorial A	> \$10
TPPS places transaction in Audit Exception	

(17) 9. TSP Payment. As invoices are approved for payment, and a NOSC has been submitted by the TSP, payment is made to the TSP.

(18) 10.1 Payment Data Feed. TPPS feeds actual payment data on each line item to the DPS.

- (19) [10.2 Feed to Financial and Air Clearance Transportation System \(FACTS\)](#). The DPS feeds the EDI 858 to the FACTS.
  - (20) [11.0 Summary Invoice Certification](#). The CO must print, review, and certify the Summary Invoice and then send the certified Summary Invoice to DFAS/FINCEN. After the Automated Finance and Accounting Process is fully implemented, the certified Summary Invoices must be submitted electronically to DFAS/FINCEN for further processing and payment.
  - (21) [12.0 Payment](#). DFAS/FINCEN pays the bank the certified Summary Invoice amount.
  - (22) [13.0 Post-Payment Audit Data Retrieval](#). The GSA conducts post-payment audits using invoice data from the TPPS and data on authorized services and weights from the DPS. The GSA reserves the right to request hard-copy supporting documentation from the TSP to conduct post-payment audits.
4. [Business Rules for Implementation](#):
- a. [General](#):
    - (1) The TPPS business process model is the Line Item Matching Model.
    - (2) Matching Model with Multiple Invoices per BL: Both shipper and the TSP submit shipment price data to the TPPS. The shipper's transaction data is submitted via multiple EDI 858 transaction sets from the DPS. The TSP may submit their invoices via EDI 859s or manual submission through the TPPS Web interface. The TPPS assigns a unique line item identifier to each line item in the TSP invoice and sends the amended EDI 859 invoice to the DPS for approval and rating. The rated shipper side of the transaction, sent back to the TPPS via EDI 858, establishes the maximum line item dollar amounts that can be paid to a TSP for each invoice. The total dollar amount paid for each BL increases with each additional invoice submitted and paid.
    - (3) While payment in the TPPS is at the invoice level, matching occurs at the line item level. For each invoice, the TPPS compares each line item and dollar amount against the line item and dollar amount on the shipper's invoice for that BL. If the line item cannot find a corresponding match or the dollar amounts for matched line items are not equal (or within tolerance), the invoice goes into Audit Exception status. If all line items and costs match on an invoice, the invoice is automatically approved for payment. If the invoice amount is above a preset threshold, the transaction goes in Approval Required status. To facilitate payment for transactions in Approval Required status, the PPSO must manually approve Approval Required status invoices in the TPPS.
  - b. [Key Process Business Rules](#):
    - (1) [Order/Authorization Issuance \(1.0\)](#):

The order/authorization issuing process remains unchanged. The orders issuing activity (e.g., personnel office) prepares the TOD. The order/authorization issuing activity determines the correct appropriation data (e.g., LOA, TAC, MDC) to assign to the order/authorization. If necessary, the orders/authorization issuing activity confers with the FM to ensure that the correct data is entered onto the TOD. The TOD is provided to the customer, who must provide it to the PPSO.
    - (2) [Customer and Shipment Data Entry \(2.1\)](#):
      - (a) As part of the process of counseling the customer on entitlement and shipping options, the PPSO must enter the customer data into the DPS for all shipments



processed by the DPS. The PPSO also enters the accounting information from the customer's order/authorization (the exact data varies by Service).

- (b) The weight ticket information must be entered into the DPS by the TSP. The TSP must provide the weight ticket to the PPSO within seven (7) government business days after shipment pickup. If the weight ticket is not received, the PPSO must dispute the invoice in the DPS. If the TSP continues to be non-compliant with the weight ticket submittal, the PPSO must follow procedures as set forth in the Quality Assurance Business Rules for administrative actions against the TSP.
  - (c) The PPSO must enter the origin PPSO and destination PPSO Bill of Lading Office Code (BLOC) for the shipment. The BLOC is used to identify the site in the DPS. If the wrong identifier is used, the wrong PPSOs are assigned shipment view in the DPS.
  - (d) When notified of a diversion, the origin PPSO must change the final destination location in the DPS in order for the correct destination PPSO to be associated with the destination services. The origin location must manage the approvals in the DPS, in conjunction with verbal communication to the diverted destination.
  - (e) The "Bill To:" field on the BL must contain the DoD-designated TPPS bank or authorized paying office.
  - (f) Includes Codes D, 2-8, T, and J shipments. With Code 5, T, and J shipments, the portion transported by the TSP is paid by the TPPS, while the portion transported by the Air Mobility Command/Military Sealift Command is paid via Transportation Control Movement Document.
  - (g) Any shipment that moves on a BL with the exception of:
    - 1 Non-Temporary Storage.
    - 2 Shipments moved under contracts (e.g., delivery out of SIT after conversion to customer expense).
    - 3 DPM.
    - 4 Personally Procured Moves.
    - 5 Shipments moved under POV contracts.
  - (h) If a one-time-only (OTO) rate tender is required, USTRANSCOM must solicit for Single Factor Rate (SFR) tenders from TSPs. USTRANSCOM will approve the TSP and their SFR and the PPSO will award the shipment. The USTRANSCOM-approved SFR rate is passed to the DPS for rating purposes.
- (3) [Electronic Customer and Shipment Data Feed \(2.2\)](#):
- (a) The TSP normally prints the BL after completing the pre-move survey and updating the DPS. In the event the PPSO must print the BL document prior to the TSP printing it, the original must be provided to the TSP. The printing of the BL triggers the feed of data to the DPS and the TPPS.
  - (b) TGET-R downloads the appropriation data to the DPS daily and converts appropriation data to FA2 LOAs.
  - (c) A conversion failure report is available on-demand identifying transactions which are missing segments in the LOA and with an indication by transaction whether the EDI 859 has been received.

(4) [BL Access \(2.3\)](#):

After the data is in the DPS, the TSP can print additional copies of the BL from the DPS using a Web interface. Other authorized organizations with read-only access to the DPS can print copies of the PPGB data (e.g., GSA, DFAS/FINCEN). TSPs and other authorized organizations with read-only access can download the BL from DPS onto their system as a PDF file. The PDF file can be saved and use as an attachment on an electronic mail (e-mail). However, DPS does not have the functionality to e-mail the BL.

(5) [Pre-Move Survey \(2.4\)](#):

The TSP must contact the customer to complete the Pre-Move Survey and identify accessorial services requiring PPSO pre-approval.

(6) [Pre-Approval Request \(2.5a\)](#):

Requested and approved online via DPS.

(7) [Entry and Pre-Approval of Services \(2.5b\)](#):

The TSP must enter the services requiring pre-approval into the DPS Pre-Approval screen at the time of the Pre-Approval Request. The PPSO must enter both the approved and denied services for reference.

(8) [Invoice Submission/NOSC Entry \(3.0\)](#):

- (a) After a shipment has been picked up and delivered to the origin/destination SIT or actual destination, the TSP must submit an invoice for the services performed to obtain payment through TPPS.
- (b) There are no requirements for the PPSO to sign the DD Form 619 (see [Figure A-A-3](#)). Customer signatures are required on the DD Form 619/619-1.

STATEMENT OF ACCESSORIAL SERVICES PERFORMED			OMB No. 0704-0531 OMB approval expires Mar, 31 2022
<p>The public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Washington Headquarters Services, at <a href="mailto:whs.mc-alex.esd.mbx.dd-dod-informationcollections@mail.mil">whs.mc-alex.esd.mbx.dd-dod-informationcollections@mail.mil</a>. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.  <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION.</b></p>			
1. BILL OF LADING NUMBER	2. OWNER NAME (Last, First, Middle Initial)		3. RANK/GRADE
4. ORIGIN OF SHIPMENT		5. DATE OF PICKUP AT ORIGIN (DDMMYYYY)	6. DESTINATION OF SHIPMENT
7. ORDERING ACTIVITY/INSTALLATION NAME		8. SCAC/NAME OF TRANSPORTATION SERVICE PROVIDER (TSP)	9. NAME OF AGENT
10. TSP SHIPMENT REFERENCE NO.	11. SIGNATURE OF TSP REPRESENTATIVE		12. DATE (DDMMYYYY)
13. ADDITIONAL SERVICES (Enter additional information in Item 14, "Remarks".)			
a. CRATES (Indicate number of crates and name of item(s) in "Remarks".)		d. EXTRA PICKUP	
b. THIRD PARTY SERVICES (I.e., Schrancks, pool table, etc. Must provide invoice to PPSO.)		e. EXTRA DELIVERY	
c. SHUTTLE SERVICE (Describe in "Remarks".)		f. OTHER (Describe in "Remarks".)	
14. REMARKS (Customer must initial next to each that apply.)			
15. STATEMENT OF OWNER			
a. MATERIALS WERE FURNISHED/ACCESSORIAL SERVICES WERE PERFORMED (X all that apply.)			
<input type="checkbox"/> ORIGIN	<input type="checkbox"/> DESTINATION	<input type="checkbox"/> OTHER (Explain in "Remarks".)	
b. SIGNATURE (Do not sign until the TSP has explained ALL that apply in Item 13, "Additional Services".)			c. DATE (DDMMYYYY)

DD FORM 619, May 2019 PREVIOUS EDITION IS AUTHORIZED FOR USE UNTIL STOCK IS DEPLETED.

**Figure A-A-3. DD Form 619, Statement of Accessorial Services Performed**

- (c) The TSP must submit shipment transit status (i.e., delivered to SIT, delivered to Destination) and rated invoice data to TPPS via an EDI 859 transaction set (preferred), or via the TPPS Web interface.
- (d) The invoice must contain the unique BL for that shipment and the TSP assigned invoice number. The services on the invoice may include LH and/or accessorial services including SIT data and surcharges (such as fuel and bunker surcharges).
- (e) The TSP must report NOSC of the shipment to TPPS before payment can be made.
- (f) Each service line item must indicate whether it is an origin or destination service. This is used to help DPS identify the PPSO with approval/denial authority.
- (g) All documentation must be maintained by the TSP for 6 years, so copies (or originals if requested) can be provided to GSA or to the PPSO IAW Service policy. GSA reserves the right to request documentation directly from the TSP at any given time.
- (h) When an item is billed solely or partially by weight, the TSP must submit to TPPS (either via the Web interface or the EDI 859) the billed weight, as well as the actual net weight (for household goods shipments) or the actual gross weight for baggage shipments.
- (i) For TSPs using an EDI 859 transaction set to invoice into TPPS, receipt and error notification must be in the form of an EDI 997 for acknowledging receipt and/or rejection for syntax errors. An EDI 824 report on the TPPS website identifies errors from DPS besides syntax.
- (j) TSPs have the choice of submitting more than one invoice against a single BL; however, LH service can be billed once. Additional and/or supplemental LH (LHSADD) charges must be billed using a different line item (LHSADD). Each invoice must reference the BL number and have a unique invoice number.

(9) [EDI 859 Submission from TPPS \(4.0\)](#):

TPPS assigns a unique identifier known as the LineIDC for each line item submitted on the TSP's invoice and creates an EDI 859 to be sent to DPS. If the TSP submitted an EDI 859 to TPPS, TPPS inserts a LineIDC into the EDI 859. This same identifier is used by DPS. This identifier is critical in the line item matching process and allows for the same item codes with different quantities (such as third-party services, TSPs) to match and pay successfully on an invoice.

(10) [Services Approval \(5.0\)](#):

- (a) The origin PPSO of record and destination PPSO(s) of record (from DPS) both have access to the shipment data in DPS.
- (b) With the exception of some services which are automatically approved (e.g., bunker surcharges, fuel surcharges) whenever a service line item is created in DPS, it is assigned an approval status of Pending.

**NOTE:** Origin approved services are not automatically approved for destination. Example: long carry may be required at origin but not necessary at destination.

- (c) When a PPSO logs on to DPS the PPSO is able to view a list of all shipments for which the PPSO is either an origin or destination PPSO, and for which there is at least one service line item with an approval status of Pending. The PPSO may view the list of services that have been submitted by the TSP. The PPSO can filter the

view by status to show only Approved, Denied, In Dispute, Updated, or Pending service line items. The PPSO must input notes in DPS whenever a line item is denied with a reason explaining the denial and when a line item is disputed with the reason for the dispute. The PPSO must request additional information for line item charges in dispute status. As part of the notes, the PPSO must indicate the information is needed in seven (7) calendar days or the charge will be denied.

- (d) The PPSO has three (3) GBDs in which to assign a status of Approved, In Dispute, or Denied to items within an invoice. PPSOs are defined as either origin/destination based on shipment origination and final destination.
- (e) A random sample of the invoices is subject to documentation request for PPSO review before approval of the invoice can take place. (See sampling methodology and rules in [Paragraph \(11\)](#) below.)

(11) Personal Property Statistical Sampling Methodology for Documentation Review:

(a) General

- 1 EDI invoices from TSPs are sent via the authorized payment system TPPS to DPS. The invoices in DPS are approved or denied by the TO/PPSO rated in DPS and sent via EDI 858 to TPPS for payment to the TSP. GSA has certified the internal controls of DPS meet prepayment audit requirements. An overall guideline for the administrative examination of disbursement vouchers is set forth at <http://comptroller.defense.gov/fmr>.
- 2 Until the customer's signature is captured electronically for personal property, statistical sampling of supporting documentation is conducted prior to payment of invoices. The following documentation outlines the procedure for statistical sampling. This methodology is developed for pre-payment examination and is similarly based on the Office of the Secretary of Defense Comptroller and GSA approved CO sampling verification for certifying the summary invoice referenced in the Department of Defense Financial Management Regulation (DoDFMR) 7000.14R, Volume 5, Chapter 5, Accountable Officials and Certifying Officers for post payment examination. It has been modified for Transportation Officer (TO)/PPSO daily pre-payment invoice approval process in DPS.  
**NOTE:** For invoices under \$2,500, a statistical sampling of supporting documentation is conducted prior to the certifying of invoices. Invoices exceeding \$2500 must be verified separately. To calculate the dollar amount of the invoice, only utilize the line items on the invoice your Government BL Office Code (GBLOC) is responsible to Approve or Deny in calculating the invoice amount.
- 3 The TO must review DPS invoices identified in these procedures for pre-TSP payment statistical sampling and verify the accuracy of the invoice. The sampled invoices must be exact or the TO must deny (the service billed was not performed) or dispute (the quantities billed are inaccurate and must be changed by the TSP) the items on the invoice for payment. The TO is not required to review invoices not specified in these rules, but must review any known discrepancies or erroneous invoices to ensure whether or not payment is appropriate to safeguard DoD funds.

- 4 The results of the sampled invoices also provide management officials with trends regarding the types and frequency of discrepancies found on these invoices.

**NOTE:** Sampling is a manual process.

(b) Preparing to Select Transactions for Pre-Payment Review

Before selecting the sample, an estimate must be developed from past data regarding the number of DPS invoices expected to be processed for the current month. The purpose of this estimate is to determine the sample size and sample selection criteria. All DPS invoices are subject to review through this random selection process, regardless of category or dollar value.

(c) Statistical Sampling Plan for Pre-Payment Review

- 1 A systematic method must be used to select the DPS invoices for review. [Table A-A-1](#) provides the approximate sample size based on the estimated total number of invoices for the given month. For example, using [Table A-A-1](#), if the TO estimates that approximately 50 DPS invoices will be processed for the day, the sample size is approximately five and the sampling interval would be 11. Next a random start number from 1 to 11 would be selected, for example, three). Starting with the 3rd invoice, every 11th invoice would be selected (e.g., 3, 14, 25) until the entire population has been exhausted and the total sample achieved. The actual sample size may vary from the estimate. After a sampling interval is selected, do not change the size of the sampling interval. At the start of a new month, a different sampling interval may be used based on revisions to the estimated summary population sizes.
- 2 Until DPS is programmed to statistically sample invoices for documentation review, the manual process to randomly sample the invoices pending approval in DPS must be followed, as documented below.

**Table A-A-1. Sample Chart (Targeted Sample Size = 100)**

Daily Estimated DPS Invoices Pending TO Approval	Est. Sampling Interval	Est. Sample Size	Summary Est. Sample Size (Based on 20 GBDs)
5	2	3	50
10	3	3	67
15	4	4	75
20	5	4	80
25	6	4	83
30	7	4	86
35	8	4	88
40	9	4	89
45	10	5	90
50	11	5	91
55	12	5	92
60	13	5	92
65	14	5	93
70	15	5	93
75	16	5	94
80	17	5	94
90	18	5	100
95	19	5	100

- 3 The PPSO/TO must maintain a checklist ([Table A-A-2](#)) of BL/invoice numbers that have been reviewed for documentation. If multiple invoices occur for a given BL, previously sampled invoices must not be included for additional documentation requests to the TSPs. The documentation for previously sampled invoices must remain on file at the PPSO for additional review.

**Table A-A-2. Sampled Invoice Checklist**

DPS PPSO Checklist					
Sampled Invoices for Documentation Review DD-MM-YY					
BL Number	Invoice Number	Standard Carrier Alpha Code	Documentation Requested	Notes for Review	Action Taken
			e.g., 619, inventory		e.g., Approved items in DPS

- (d) TSPs with Web access to all their documentation are posted on DPS invoice in the TSP header notes. The PPSO must click on the TSP header notes, copy and paste the URL for webpage access to see all pertinent documentation.
- (e) The PPSO must review the line items in DPS with a status of Pending and assign one of the following approval statuses based on the following criteria:
  - 1 **Approve:** PPSO agrees that the services were requested and performed, and they agree with the quantities.
  - 2 **Deny:** PPSO disagrees that the services were requested and performed. The PPSO must enter a reason in the Notes field for denied line items.
  - 3 **Dispute:** PPSO agrees that the services were requested and performed, but disagrees with the quantities, or the PPSO requires additional information or documentation from the TSP before approving the line item. The PPSO must enter a reason in the Notes field for disputed line items.
- (f) TSPs have access to a downloadable report listing the status of all services submitted to DPS. The status reflects all services approved, denied, in dispute, or pending action.
- (g) TSPs have access to view the status of line items via the DPS Web interface. If an item is In Dispute, the TSP can adjust their quantities. If the quantity is changed, the status changes from In Dispute to Updated. TSPs cannot modify the quantity of service items that have been approved or denied.
- (h) If it is determined that the TSP is entitled to payment of a Denied item before the invoice is rated and sent to the TPPS, the PPSO can change the status to Approved. If the invoice has already been rated and locked from further changes, the TSP may include that item on a supplemental invoice through TPPS.
- (i) All Disputes must be resolved in DPS since the destination PPSO does not have visibility or approval authority in TPPS.
- (j) PPSOs must not change the quantities or rates in TPPS unless it is determined that DPS incorrectly rated a line item. TSPs must use supplemental invoices for any disputed claim not resolved in DPS.
- (k) The use of eBills should be minimal (except as noted). TSPs must submit supplemental invoices for additional items not paid on the original invoice. This allows the destination PPSO to have visibility and approval authority of the charges in DPS.

- (l) TSPs who owe the Government a refund, must submit a negative supplemental invoice through TPPS for repayment of government overcharges. TSPs must comply with the procedures outlining this process in the Offsets and Funds Recovery business rules found on the USTRANSCOM website at <https://www.ustranscom.mil/dp3/index.cfm>.
  - (m) PPSOs must approve, dispute or deny transactions identified as “services awaiting approval” within three (3) GBDs. An aging report is available for the Services to determine the average number of days for “services awaiting approval” by PPSOs.
  - (n) If a reweigh occurs and the weight is lower than the original weight ticket, the new lower weight must be entered in DPS. If the TSP invoice is already received (but not approved) in DPS, DPS recalculates all the cost associated with weight. If the invoice is already approved, the TSP must bill a supplemental invoice using the LHSADD line item.
  - (o) TSP may bill for the reweigh fee at any point after the reweigh, the PPSO must determine if the TSP is entitled to the fee.
- (12) DTOD Distance (6.1):
- (a) For ITGBL service line items which require the number of miles (e.g., LH, Delivery out of SIT), DPS transmits the location information associated with the “From” and “To” locations to DTOD, and DTOD returns the number of miles between the two locations for reference purposes.
  - (b) If a PPSO disagrees with the origin or destination location submitted by a TSP, the PPSO must mark the line item as Denied.
  - (c) If the PPSO disagrees with the distance submitted by the TSP, it is marked as In Dispute with Notes and must stay in that status until the TSP updates the distance.
- (13) Rand McNally Mileage (6.2):
- (a) For TGBL service line items that require the number of miles (e.g., LH and delivery out of SIT), DPS transmits the location information associated with the “From” and “To” locations to DPS and DPS returns the number of miles between the two locations for reference purposes using the Rand McNally mileage reference tables.
  - (b) If a PPSO disagrees with the origin or destination location submitted by a TSP, the PPSO must mark the line item as Denied.
  - (c) If the PPSO disagrees with the distance submitted by the TSP, it is marked as In Dispute with Notes and must stay in that status until the TSP updates the distance.
- (14) Rating (6.2):
- (a) After the PPSO has marked all items on an invoice as Approved or Denied, DPS rates the invoice. Denied line items are assigned a quantity of zero and a cost of zero. Both approved and denied line items are sent in the EDI 858 to TPPS. DPS uses the quantities and location information associated with each service line item to calculate the correct cost of each service line item IAW the rates on file for the TSP.
  - (b) If a line item is approved by the PPSO, and the DPS determines it cannot be rated:
    - 1 DPS assigns a status of Denied and a quantity and cost of zero.
    - 2 DPS adds text to the notes field indicating it was denied for lack of information.



(15) EDI 858 Submission from DPS (7.0):

- (a) DPS feeds an EDI 858 containing data for rated (approved and denied) line items to TPPS. The EDI 858 must reference the BL number as the key field along with the Line IDC, and the invoice number sent in the EDI 859 from TPPS.
- (b) The initial EDI 858 sent from DPS for a given BL must be sent as an original EDI 858. As new services are approved and rated, subsequent EDI 858s are sent as incremental update EDI 858s. If a diversion or reweigh occurs, the EDI 858 is flagged so the header level information such as addresses and weights can be updated.

(16) TSP Payment Approval (8.0):

(a) Payment Requirements:

- 1 At the PPSO's discretion, PPSOs can assign each individual TPPS user within an office a different maximum dollar amount for TSP payment approval. If the BL price on a shipment exceeds a user's maximum, the user cannot approve the TSP payment.
- 2 The TSP payment process begins with the receipt of the NOSC and the shipper and TSP portions of the transaction are matched by the unique BL, Standard Carrier Alpha Code (SCAC) and Invoice Number combination. Actual TSP payment is based on the services provided under the BL. PPSOs must not approve invoices in TPPS in a status other than Approval Required.

(b) Automatic Approval of Payment:

- 1 For automatic approval of payment: Invoice and data submitted must match or be within preset tolerances. After the rated shipper's invoice is received in TPPS, it is the TSP's responsibility to update quantities or costs in TPPS to match the data submitted from DPS.
- 2 If the quantity of an item was changed or denied in DPS, the TSP must edit their invoice in TPPS or the transaction is placed in Audit Exception status. For denied line items, TSPs must change that item cost and quantity to zero for it to match in TPPS. After the items and costs match, the invoice is automatically approved if the total cost falls below the predetermined maximum threshold.
- 3 USTRANSCOM, with Service approval, establishes the DoD's policy for automated TSP payment approval using TPPS matching model. This policy is coded into the DoD Business Rule Set within TPPS and all organizations must use this Business Rule Set as the basis for processing transactions.
- 4 Paragraph C addresses prompt payment scenarios and business rules.

**NOTE:** In the manual environment (without automation outlined in the Prompt Pay Procedures in Paragraph C), USTRANSCOM creates eBills in TPPS for those payments that have aged beyond 30 days as a result of Government system or user. PPSO's must approve all eBills.

(17) Manual Approval of Payment:

- (a) The origin PPSO must approve for payment the amount they determine the Government is responsible to pay. The origin PPSO must work with the destination

PPSO to correctly approve invoices for payment since only the origin PPSO has access to the transactions in TPPS.

- (b) Origin PPSOs must log on each workday to TPPS to review transactions that have a Financial Status of:
    - 1 [Audit Exception](#) – No PPSO action is required in TPPS for invoices in the Audit Exception status. Stakeholders must alert USTRANSCOM of any rating errors and be aware of the TSP’s responsibilities as outlined in [Paragraph B.2.e](#).
    - 2 [Approval Required](#) – The maximum threshold is below the total cost of the invoice and manual approval is required by the PPSO.
    - 3 [Hold](#) – The PPSO has placed an invoice on hold requesting further information on the charges.
  - (c) For transactions in a status of Approval Required, the PPSO must take one of the following actions within three (3) GBDs after notification of service completion:
    - 1 Approve the payment.
    - 2 Place on hold and request additional information from the TSP, using the Notes Section of the transaction.
    - 3 Deny payment and record reason in the Notes section of the transaction.
  - (d) After a response is received on a hold, the origin PPSO that placed the hold has three (3) GBDs to approve or deny.
  - (e) If an invoice matches on cost but is above the predetermined threshold the invoice is in a status of Approval Required. The origin PPSO must manually approve these transactions within three (3) GBDs. The PPSO must check for invoices in this status each workday.
- (18) [TSP Payment \(9.0\)](#):
- (a) The TSP cannot be paid until NOSC and PPSO approval (either automatic or manual) are received. The TSP is paid after the PPSO approves the invoice for payment, removes an invoice from hold status, or resolves an eBill.
  - (b) The TSP is paid by submitting an EDI 820 remittance to the TSP system and an Electronic Funds Transfer (EFT) to the TSP bank.
- (19) [Payment Data Feed \(10.1\)](#):
- (a) TPPS feeds payment data to DPS using an EDI 810 transaction set. This data is sent summary at the time of the summary invoice generation due to the ability to change LOAs in TPPS until summary invoice generation. TPPS also transmits the financial EDI 810 data feed to DFAS Expenditure Systems for all payments made.
  - (b) The EDI 810 lists the all line items and the corresponding dollar amounts for each invoice. It also includes the LOA/TAC/MDC and obligation data assigned to each service line item.
- (20) [Feed to FACTS \(10.2\)](#):
- DPS feeds the EDI 858 to FACTS.

(21) Summary Invoice Certification (11.0):

- (a) Procedures for the Prompt Payment Act (PPA) and the responsibilities for COs, accountable officials, and review officials are contained in DoDFMR, Volume 5, Chapter 5, Accountable Officials and Certifying Officers. Under the terms of the TPPS contract, PPA interest begins to accrue 30 days from the summary invoice availability date. The summary invoice and supporting documentation (detailed summary invoice and customer’s orders) must be certified and arrive at the DFAS/FINCEN payment center by five (5) GBDs following receipt of the summary invoice. This is to ensure the payment center has sufficient time to disburse the amount owed to the bank. DFAS/FINCEN payment centers (for addresses go to [www.dfas.mil](http://www.dfas.mil) or <https://www.uscg.mil/fincen/>) are as follows:

**Table A-A-3. DFAS Financial Payment Centers**

Service	Payment Center	Phone Number	Fax Number
Army	DFAS-Indianapolis	317-212-2464	317-212-2397
Air Force	DFAS-Limestone	207-328-1605	207-328-1699 or 207-328-1873 (w/cover page)
Navy	DFAS-Indianapolis	317-212-7814	317-212-3965
Marine Corps	DFAS-Columbus	614-693-0953	866-217-6523
Coast Guard (for non-Coast Guard shipments)	DFAS-Indianapolis	317-212-2464	317-212-2397
Coast Guard (for Coast Guard Shipments)	FINCEN	757-523-6022	

- (b) The Certifying Official (CO) must print the summary invoice after the 15th of the month (the next business day, if the 15th falls on a weekend) or when TPPS generates the summary invoice on the TPPS website, whichever occurs later.
- (c) The summary invoice must be reviewed and certified by the CO prior to pre-validation of available funds by the DFAS/FINCEN payment office. (The “in-progress” summary invoice is available for review by the CO throughout the month). The overall scope of the review is to ensure that the invoice contains the necessary substantiation and documentation for lawful and proper payment. The CO business rules for summary invoice certification are outlined in Paragraph C. These rules must be strictly adhered as per the DoDFMR.
- (d) The LOA summarizes transportation charges on the summary invoice. Supporting line item detail is available for review in TPPS. The Expense Distribution Monitor Report or a similar report providing shipment level detail, including but not limited to the SDN and obligation data must be printed for use in the certification process and for submission to DFAS/FINCEN. If the LOA contains the obligation data, it is summarized on the summary invoice for the DFAS/FINCEN use in obligating funds.

The DFAS/FINCEN accounting systems require obligation data to identify a transaction for processing within the system. If the obligation data is not present on the incoming certified billing for a specific line item transaction, the DFAS/FINCEN paying office must contact the supporting FM or the CO for valid obligation data. Upon receipt of missing obligation data, the DFAS/FINCEN paying office releases funds for that line item transaction.

- (e) If the LOA is missing, TPPS assigns “xx” in the LOA field. This field remains open for editing from the BLs receipt from DPS until summary invoice generation. The CO must research instances of missing or inaccurate LOAs throughout the summary invoice cycle period using the Expense Distribution Monitor Report or the summary invoice, correcting the LOA for the respective TSP invoices. After the TSP payment has been processed, accounting data cannot be electronically edited.
- (f) After the summary invoice is certified in TPPS, the LOA fields are locked from further edits. The CO can manually correct LOAs on the summary invoice hard copy before sending the certified copy to DFAS/FINCEN.
- (g) The CO must review the summary invoice to ensure it reflects the actual TSP payments and existing LOAs and Obligation data. The CO must accomplish the pre-payment review of the summary invoice by validating the shipments from the summary invoice against details showing shipment level detail verifying the payment amounts are the same as those on the associated payment settled requests in the TPPS database. Any discrepancies must be immediately provided to the TPPS Help Desk. The CO must correct any LOA or obligation data errors discovered on the summary invoice and/or Expense Distribution Monitor Report and forward to DFAS/FINCEN within five (5) GBDs of the summary invoice availability date.
  - 1 Prior to certification of the summary invoice, the CO must review LOAs and obligation data for accuracy.
  - 2 If the summary invoice is missing or contains the incorrect shipper’s appropriation (LOA/Obligation data), the CO must contact the issuing order authority to resolve the discrepancy in TPPS. An entry in the Notes component of TPPS must document the actions taken to establish the correct appropriation.
- (h) Payment from the government to the bank is required in 30 days or less (“net 30 days”) from the date the summary invoice is first available (the “Availability Date” field in TPPS). The bank invoice must be certified and arrive at the DFAS/FINCEN payment center by the 5th GBD following availability of the summary invoice. This is to ensure the payment center has sufficient time to disburse the amount owed to the bank.
- (i) The Army Corps of Engineers (ACOE) and the U.S. Coast Guard (USCG) each have a separate summary invoice generated for their shipments regardless of the origin account holder in TPPS. For example, if a USCG customer moves out of Fort Belvoir, Fort Belvoir PPSO manages the invoices for payment. After the summary invoice is generated, Fort Belvoir’s summary invoice does not include that USCG transaction as it must be separated into a USCG invoice. The ACOE and USCG have their own payment centers to pay directly to the TPPS.
- (j) For USCG installations:
  - 1 All non-USCG shipments must be generated on a separate summary invoice in TPPS that must be certified by the USCG CO and sent to the DFAS.  
**NOTE:** This process assumes the correct TAC was entered into DPS and/or TPPS.
  - 2 If a USCG move does appear on a summary invoice, the CO must manually enter the TAC for the noted transaction and forward the complete summary

invoice (including the USCG move) to the payment center. DFAS then processes the summary invoice, and recoups the funds as necessary via an intra-governmental funds transfer with the USCG Finance Center. The DFAS payment center also requires the PPSO to submit orders for these moves.

- (k) Since the USCG is not a DoD organization, the USCG and the Services have entered into a reciprocal Memorandum of Agreement concerning their PPSOs’ approval of payments to the TSPs. Each origin PPSO resolves discrepancies between the BL data and invoice data and approves payment to the TSP on behalf of both the USCG and the Services without regard to whether customer is a USCG or DoD customer.
- (l) The CO signs the summary invoice to certify it is correct and proper for payment. This must be accomplished within five (5) GBDs from the summary invoice availability. Certification means that the summary invoice accurately reflects actual payments made to TSPs in comparison to the Transaction Manager or Expense Distribution Monitor Report. The initial pre-TSP-payment approval process certified each payment transaction as being true and correct. The signed summary invoice and the detailed invoice with the customer’s orders are sent by facsimile (fax) (preferred) or overnight mail (by traceable means) to the DFAS/FINCEN payment center for that CO. The certified summary invoice and Expense Distribution Monitor Report (or similar detail report) must arrive at the DFAS/FINCEN payment center by five (5) GBDs from the summary invoice availability date.

**NOTE:** An additional requirement for Navy summary invoice certification is the Prompt Payment Certification and Deduction Form (PPCD). The PPCD is completed and signed by the CO and is submitted each month to DFAS-Indianapolis along with the manually submitted summary invoice. The PPCD is used to identify/clarify payment related information, adjustments, and/or deductions (including TAC/LOAs not provided on the summary invoice) to ensure payments are timely and accurate.

- 1. The following certification invoice must appear on the face of the summary invoice along with signature of the authorized certifying officer:

“Pursuant to authority vested in me, I certify this billing invoice is correct and proper for payment, except as may be noted herein or on supporting documents.”

\_\_\_\_\_  
 John Doe  
 Authorized Certifying Officer

**Table A-A-4. Summary Business Rules for Summary Invoice Certification**

Condition	Rule
CO prints summary invoice delivered via the TPPS desktop.	CO stamps PPA effective date on summary invoice. Under the terms of the TPPS contract, PPA interest begins to accrue 30 days from the summary invoice availability date.
Summary invoice not available or CO encounters problems printing summary invoice.	CO contacts TPPS Help Desk. If the summary invoice “availability date” shown on the TPPS invoice differs from the actual availability date (due to TPPS errors) the CO must note the actual Available Date on the invoice before submitting to the DFAS/FINCEN payment center.
CO performs pre-payment invoice review to ensure invoice reflects actual TSP payments.	Review summary invoice Shipment Detail Listing and verify that the payment amounts are the same as those on the associated PAYMENT SETTLED requests in TPPS.
CO reviews summary invoice By Accounting Code section of summary invoice to identify any invalid LOAs.	Use TPPS to drill down to transactions for invalid LOAs and use information to contact the PPSO and/or shipment requestor and correct LOA entries. CO has five (5) GBDs to correct the LOAs.

Condition	Rule
CO determines the summary invoice to be correct and proper.	CO certifies and signs summary invoice and submits it to proper DFAS/FINCEN payment center for their Service by fax or express mail (i.e., traceable means).
PPSO or CO discovers overpayment.	PPSO or CO effects price adjustment by requesting TSP submit credit invoice or as a last resort create eBill refund in TPPS.

(22) Bank Payment (12.0):

- (a) The summary invoice charges must be summarized by LOA. Supporting detail is available in the download details of summary invoice in TPPS.
- (b) If the LOA fails the edit because of the obligation is not established, DFAS/FINCEN contacts the FM to obtain permission to record the obligation. After the obligation is recorded the in accounting system, DFAS/FINCEN processes the payment against the obligation.
- (c) In instances where incorrect TSP billing or overcharges exist, adjustments must be credited/debited to the detail LOA as defined in the business rules covering Offsets and Funds Recovery. This offset is reflective for that month’s invoice.

**Table A-A-5. Summary Business Rules for Bank Payment**

Condition	Rule
LOA fails edit in the entitlement system because of insufficient obligation.	DFAS/FINCEN contacts the FM for authority to increase the obligation prior to payment.
LOA fails edit in the entitlement system because of no obligation.	DFAS/FINCEN contacts the FM to identify the appropriate accounting data, record the obligation and process the payment to TPPS.
LOA fails edit in the entitlement system because of validity.	DFAS/FINCEN contacts the FM to identify the appropriate accounting data, record the obligation and process the payment to TPPS.
DFAS/FINCEN receives certified summary invoice.	DFAS/FINCEN must provide payment for the summary invoice within 30 calendar days after the PPSO received the invoice from TPPS. NOTE: If DFAS fails to meet any of the above conditions, a payment to TPPS CANNOT be processed by DFAS within 30 days subjecting the LOA to PPI.

(23) Post-Payment Audit Data Retrieval (13.0):

GSA conducts post-payment audits, using invoice data from TPPS and data on authorized services and weights from the DPS. GSA reserves the right to request hard copy supporting documents to conduct post payment audits.

(24) DoD Annual Corrective Requirements:

- (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.
- 3 Services/Agencies are required to pay in full all remaining unpaid transactions on an annual basis by the end of the 1st quarter of the following FY/CY. For example, all charges on an account for FY21 would be required to be paid in full by the end of 1st quarter FY22.

(c) DFAS Payment Center Action:

- 1 DFAS POC will work with shipper site/HQ POC to resolve problems, following guidelines established in their Interim Manual Operating Procedures.
- 2 DFAS will assist to resolve payment center issues and notify the Office of the Secretary of Defense (Comptroller) of unresolved issues.
- 3 DFAS, in coordination with the CO/TO, will fully reconcile each account and provide a listing of all remaining unpaid transactions to the services for the prior FY/CY by (within 30 days of FY/CY end).

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

(25) Help Desk Information:

TPPS Help Desk

[customer.support@syncada.com](mailto:customer.support@syncada.com)

Toll-free in the U.S. (including Alaska, Hawaii, and Puerto Rico): 1.800.417.1844

Direct dial from outside the U.S.: +001.612.973.3170

DPS Help Desk

[sddc.safb.dpsfd@us.army.mil](mailto:sddc.safb.dpsfd@us.army.mil)

Toll-Free (800) 462-2176 (option 5)

Commercial 618-220-SDDC

DSN 770-7332

5. CO Business Rules:

a. General:

Commanders, activity directors, and other personnel of equivalent position of an organization must appoint a CO in writing. Commanders have the prerogative to appoint any qualified individual as a CO. There must be a separation of duties between the TO approving invoices in DPS versus the CO certifying the summary invoice for DFAS to pay the bank. The appointed COs must be a DoD civilian employee or military personnel or a federal civilian employee of a non-DoD agency. Contractors are not eligible to be a CO and COs may not concurrently serve as a Disbursing Officer or Deputy Disbursing Officer.

The CO must ensure that the DFAS paying offices have the required documentation on file for the appointment. The required documentation is the CO appointment letter and the specimen signature card, DD Form 577, Appointment/Termination Record – Authorized Signature, [Figure A-A-4](#). Certification of the summary invoice must be IAW DoDFMR 7000.14-R, Volume 5, Chapter 5. To accomplish the tasks outlined below, access to TPPS

and the establishment of internal controls within TPPS are under the purview of the CO even if the individual is outside of the TO.

Qualifications for COs are located in DoDFMR, Volume 5, Chapter 5. Requirements for TSP prepayment audit review are located in 41 Code of Federal Regulations (CFR), Parts 101-41, Transportation Documentation and Audit, and 102-118, Transportation Payment and Audit; and requirements for summary invoice certification are located in the DoDFMR, Volume 5, Chapter 5. The extent of the liability of the CO is located in the DoDFMR reference. The 41 CFR is available through [https://www.ecfr.gov/cgi-bin/text-idx?SID=dab860358e23d0a584e3c9a329253b07&mc=true&tpl=/ecfrbrowse/Title41/41tab\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?SID=dab860358e23d0a584e3c9a329253b07&mc=true&tpl=/ecfrbrowse/Title41/41tab_02.tpl) The DoDFMR is available through <http://comptroller.defense.gov/fmr>.

The CO must review those TPPS transactions identified for post-TSP payment statistical sampling and verify the correctness of the summary invoice. All TSP payment approval transactions regardless of thresholds and tolerances included in the sample are applicable when reviewing the summary invoice for payment of correct amounts. The sampled transactions must be accurate or correction action must be taken [eBill]. The CO is not required to review other billings not specified in these rules, but must review any known discrepancies or erroneous billings to ensure the appropriateness of payment and the safeguarding of DoD funds.

The summary invoice must be reviewed and electronically certified in TPPS by the CO prior to submission to and processing by the DFAS payment office. The overall scope of the review is to ensure that the invoice contains the necessary substantiation and documentation for lawful and proper payment. The CO utilizes the TPPS database and relies on information supplied by the accountable official, and works with the FM to ensure:

- (1) The summary invoice has complete LOAs for each line item on the summary invoice.
- (2) Each transaction has an LOA or SDN.

**NOTE:** Not all Services use SDNs.

- (3) The summary invoice certification is completed and received by the DFAS payment center within five (5) GBDs of receipt of the summary invoice.
- (4) Complete LOAs and/or SDNs are annotated on the summary invoice or other Service required payment document.
- (5) The certified manual summary invoice with the attached detailed summary invoice and customer's order/authorization, for that time period is forwarded to the DFAS paying office for processing; the electronic portion of the summary invoice is automatically sent to the payment center via EDI 821/810 following electronic certification by the CO.
- (6) The amount billed and the certified amount is accurate on the summary invoice.

The CO must review the summary invoice to ensure that it reflects the actual TSP payments and ensure the detailed amounts identified supporting documentation equals the amount certified on the summary invoice for reimbursement to the Bank. Adjustments for incorrect or erroneous charges must be processed for credit in subsequent billings. The CO must maintain records of such items until their final resolution and documented in TPPS and then processed in a summary invoice. The detailed summary invoice must contain a full LOA, including the SDN if applicable for each LOA to be charged. The CO must provide the summary invoice and customer's orders, electronically if the capability exists. The CO must ensure that the summary invoice or other documentation is annotated with any missing data (i.e., full LOA, SDN) before forwarding to the DFAS.



6. Statistical Sampling Plan:

- a. Preparing to Select Transactions for Review: Obtain a reasonable estimate of the number of TPPS transactions expected to be processed for the current month from past data to determine the sample size and sample selection criteria. All categories of TPPS transactions regardless of dollar value are subject to review through random selection processes.
- b. Transactions Requiring 100 percent Review: Any TPPS transaction that does not contain an accounting classification or contains a partial accounting classification must be reviewed prior to summary invoice certification. Any TPPS transaction over \$2,500 for a shipment or that has had a price variance greater than 30 percent from the original price must be reviewed. Instruct personnel who are authorized to approve TSP payments in TPPS to record all upward price adjustments in the journal entry section of the transaction. No transactions requiring 100 percent review may be included in the transactions sampled for post-payment verification.

- c. Selecting the Sample of Transactions for Post-TSP Payment Verification: The Sampling Size/Interval Determination chart, [Table A-A-6](#), provides the approximate sample size based upon the estimated total number of transactions for the given month. For example, if the TO estimates that approximately 2,000 TPPS transactions will be processed for the current month, the sample size would be approximately 95 and the sampling interval would be 21.

A random start number from 1 to 21 would be selected (e.g., 5). Starting with the 5th transaction, every 21st transaction would be selected (e.g., 5, 26, 47) until the entire population had been exhausted and the total sample achieved. The actual sample size may vary from the estimate. After a sampling interval is selected, do not change the size of the sampling interval during the month. At the start of a new month, a different sampling interval may be used based on revisions to the estimated summary population sizes.

- d. Conducting the Post-TSP Payment Verification on a Statistical Sampling Basis: Conduct the review of the TPPS transactions. Prepare a TPPS Certifying Officer Checklist, [Table A-A-7](#), or annotate the Expense Distribution Monitor Report for all transactions reviewed and upon completion, retain in the CO file for reference. The CO must compare any available source documentation (i.e., the Movement Request Order) with transactions from other source systems to ensure that input to TPPS was accurate. If there is a deviation from the source documentation or source input and the summary invoice, any journal entries related to the transaction must be reviewed for an explanation of the differences. If the TSP was overpaid, the CO must still certify the summary invoice and direct that an eBill be created to recoup the overpayment. This process must be accomplished within 30 days. Collections against vendors/TSPs no longer in the TPPS system or who have filed for protection under the bankruptcy rules must be accomplished IAW with existing debt management processes (See Volume 10, DoDFMR).

**NOTE:** TSPs in bankruptcy cannot be approved for Auto Approval.

- e. TPPS Transaction Review Elements: The following elements must be reviewed to ensure the transactions have been properly accomplished and that any source documentation and/or source input supports the sampled TPPS transactions. This list can be augmented by other review elements.
  - (1) SCAC is correct.
  - (2) Complete accounting classifications are present on the summary invoice.
  - (3) Amount claimed by the TSP is same amount on the shipping instructions.

- (4) Any adjustments to rate or price are documented via the Journal Entry feature in TPPS or the eBill process.
- (5) All service rates and charges are clearly identified and authorized on the shipping instructions.
- (6) USTRANSCOM regulations have been adhered to as applies to movement charges billed.
- (7) Complete TPPS transaction is reviewed for:
  - (a) Fraud, waste, and abuse by the TSP or others involved in the TSP payment approval process.
  - (b) Additional monies the Government may be owed—create an eBill.
  - (c) Irregular or incomplete entries in the Journal Entry feature for that transaction.
- (8) Notification of the Service and USTRANSCOM of any TSP found abusing the fast payment process.

**Table A-A-6. Sample Size/Interval Determination (Target n = 100)**

Estimated Summary Population Size	Sampling Interval Size	Estimated Sample Size	Estimated Summary Population Size	Sampling Interval Size	Estimated Sample Size
100	2	50	3600	37	97
200	3	67	3700	38	97
300	4	75	3800	39	97
400	5	80	3900	40	98
500	6	83	4000	41	98
600	7	86	4100	42	98
700	8	88	4200	43	98
800	9	89	4300	44	98
900	10	90	4400	45	98
1000	11	91	4500	46	98
1100	12	92	4600	47	98
1200	13	92	4700	48	98
1300	14	93	4800	49	98
1400	15	93	4900	50	98
1500	16	94	5000	51	98
1600	17	94	5100	52	98
1700	18	94	5200	53	98
1800	19	95	5300	54	98
1900	20	95	5400	55	98
2000	21	95	5500	56	98
2100	22	95	5600	57	98
2200	23	96	5700	58	98
2300	24	96	5800	59	98
2400	25	96	5900	60	98
2500	26	96	6000	61	98

Estimated Summary Population Size	Sampling Interval Size	Estimated Sample Size	Estimated Summary Population Size	Sampling Interval Size	Estimated Sample Size
2600	27	96	6100	62	98
2700	28	96	6200	63	98
2800	29	97	6300	64	98
2900	30	97	6400	65	98
3000	31	97	6500	66	98
3100	32	97	6600	67	99
3200	33	97	6700	68	99
3300	34	97	6800	69	99
3400	35	97	6900	70	99
3500	36	97	7000	71	99

For summary population sizes greater than 7000, the sampling interval is approximately equal to the population size divided by 100. For example, if the number of TPPS transactions processed each month is approximately 7500, then the sampling interval is 75, the sampling frequency is 1/75 and the total number of TPPS transactions selected for audit is approximately 100.

<b>APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE</b> <i>(Read Privacy Act Statement and Instructions before completing form.)</i>		
<b>PRIVACY ACT STATEMENT</b>		
<p><b>AUTHORITY:</b> E.O. 9397, 31 U.S.C. Sections 3325, 3528, DoDFMR, 7000.14-R, Vol. 5.  <b>PRINCIPAL PURPOSE(S):</b> 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.  <b>SORN T1300</b> (<a href="http://dpclo.defense.gov/Privacy/SORNSIndex/DODComponentArticleView/tabid/7489/Article/6235/t1300.aspx">http://dpclo.defense.gov/Privacy/SORNSIndex/DODComponentArticleView/tabid/7489/Article/6235/t1300.aspx</a>)  <b>ROUTINE USE(S):</b> 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: <a href="http://dpclo.defense.gov/Privacy/SORNSIndex/BlanketRoutineUses.aspx">http://dpclo.defense.gov/Privacy/SORNSIndex/BlanketRoutineUses.aspx</a>.  <b>DISCLOSURE</b> Voluntary; however, failure to provide the requested information may preclude appointments.</p>		
<b>SECTION I - APPOINTEE</b>		
1. NAME <i>(First, Middle Initial, Last and Rank or Grade)</i>	2. DoD ID NUMBER	3. TITLE
4. DOD COMPONENT/ORGANIZATION	5. ADDRESS <i>(Include ZIP Code, email address, and telephone number with area code and DSN)</i>	
6. POSITION TO WHICH APPOINTED <i>(X appropriate box - one only. Checking more than one invalidates the appointment.)</i>		
<input type="checkbox"/> DISBURSING OFFICER: DSSN _____	<input type="checkbox"/> CASHIER	<input type="checkbox"/> CHANGE FUND CUSTODIAN
<input type="checkbox"/> DEPUTY DISBURSING OFFICER: DSSN _____	<input type="checkbox"/> PAYING AGENT	<input type="checkbox"/> IMPREST FUND CASHIER
<input type="checkbox"/> CERTIFYING OFFICER	<input type="checkbox"/> COLLECTIONS AGENT	<input type="checkbox"/> SAFEKEEPING CUSTODIAN
<input type="checkbox"/> DEPARTMENTAL ACCOUNTABLE OFFICIAL	<input type="checkbox"/> DISBURSING AGENT	<input type="checkbox"/> 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:		
<b>SECTION II - APPOINTING AUTHORITY</b>		
9. NAME <i>(First, Middle Initial, Last)</i>	10. TITLE	11. DOD COMPONENT/ORGANIZATION
12. DATE <i>(YYYYMMDD)</i>	13. SIGNATURE	
<b>SECTION III - APPOINTEE ACKNOWLEDGEMENT</b>		
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 <i>(First, Middle Initial, Last)</i>	15. DATE <i>(YYYYMMDD) (Not earlier than date in Item 12 or 13)</i>	
16.a. DIGITAL SIGNATURE	16.b. MANUAL SIGNATURE	
<b>SECTION IV - APPOINTMENT TERMINATION</b>		
The appointment of the individual named above is hereby revoked.	17. DATE <i>(YYYYMMDD)</i>	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 A-A-4. 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 A-A-4. DD Form 577, Appointment/Termination Record – Authorized Signature (Cont'd)**



Circular Requirements	Description	Source
Banking Information	Vendor's financial instructions for payment	Not required on vendor invoice; already on file at TPPS.
Contact name	Vendor contact information	Not required on vendor invoice; already on file at TPPS.
Other substantiating Documentation	Documentation required to support invoice details	Hard-copy DD Form 619, <u>Statement of Accessorial Services Performed</u> , must be maintained by the TSP and furnished to the PPSO on demand as required by Service.
Receiving reports information	Certification of service completion	Required on vendor invoice; also known as "notice of service completion". Provided in the EDI 859.

3. Invoice Guidelines:

The following guidelines ensure the TSP submits invoices properly and charges are properly processed in a timely and efficient manner. Normally an invoice must contain more than one line item charge, unless invoice is submitted for supplemental charges. Single item invoices not conforming to the procedures outlined below will be denied. Exceptions to these guidelines must be handled on a case-by-case basis. The TSP must resubmit charges using one of the invoice formats listed in the invoicing guidelines.

- a. All origin SIT charges including LHS with fuel surcharge, and all associated accessorial.
- b. All destination SIT with storage less than 30 days, including fuel surcharge and all associated accessorial.
- c. All destination SIT charges with storage more than 30 days, including fuel surcharge and all associated accessorial. These services can be billed in 30 days increments or the TSP can wait until the shipment is delivered before invoicing.
- d. Partial delivery of destination SIT, including fuel surcharge and all associated accessorial.
- e. Partial and remaining portion of destination SIT, including the fuel surcharge and all associated accessorial.
- f. Reimbursement invoice(s) (credit invoice).
- g. Reimbursement invoice(s) with re-invoiced charges (i.e., denied charge(s)).
- h. Direct deliveries including LHS with fuel surcharge, and all associated accessorials.
- i. Any denied item code(s) from previous invoicing.
- j. Any item code(s) that was accidentally left off of the previous invoicing.

4. Main Guidelines for Application and Calculation of PPI (Title 5 CFR, Volume 3, Chapter III, Subchapter B, Part 1315, and DFAS's guidance on the current process):

- a. The PPA clock begins when TPPS receives an invoice in TPPS (Invoice Create Date), either in the form of an EDI 859, or when created using the TPPS User Interface.
- b. All days referenced are calendar days.
- c. Proper invoices must be paid within 30 days from date stamp in TPPS to avoid PPA interest.
- d. Interest is paid based on the number of days exceeding 30.

- e. If an invoice is deemed to be improper, the TSP is notified by EDI 997 or by the TSP status report from TPPS within 7 days of submission. Status codes are used to explain why a TSP invoice is improper.
- f. Notification of an improper invoice stops the PPA clock. The PPA clock is re-started at zero upon receipt of the corrected invoice. Payment must be made within 30 days from the receipt of the corrected invoice to avoid interest payment.
- g. If notification of an improper invoice exceeds seven (7) days, subtract the number of days in excess of 7 from 30 to determine the time allowed for payment of the corrected invoice.
- h. Interest is calculated on the paid invoice amount.
- i. Interest calculations are based on a 360-day year.
- j. Interest days are calculated from day 31 until the “Payment Settled” date in TPPS.

**NOTE:** DFAS has pointed out that (per Title 5 CFR, Volume 3, Chapter III, Subchapter B, Part 1315) the payment date for an EFT payment is the day the payment is credited to the vendor’s financial institution. However, in TPPS the EFT date is the date TPPS generates the EFT and the invoice is marked as Payment Settled. This may not be the date upon which the TSPs financial institution is credited. This is based solely upon the Automated Clearing House rules.

- k. Payments falling due on a weekend or government holiday may be made on the following business day without incurring late payment interest penalties.
  - l. The interest rate is obtained from the Treasury Department (800-266-9667). Late payment interest is calculated at the interest rate in effect on the day after the payment due date.
  - m. An additional penalty payment is owed to a TSP if the late payment interest is not included in the original payment, is not paid within 10 days of the actual payment date of the invoice and the TSP makes a written request within 40 days of the original payment (additional caveats are referenced in Title 5 CFR, Volume 3, Chapter III, Subchapter B, Part 1315). Any additional penalty owed is equal to 100 percent of the original late payment interest but cannot be less than \$25.00 nor exceed \$5,000.
5. Overall Business Rules for Notification of an Improper Invoice:
- a. All line items on the individual invoice must be approved, denied, or disputed in DPS.
  - b. The PPSO must take action within three (3) GBDs on invoices awaiting PPSO action in DPS.
  - c. This three (3) GBDs time frame falls within the required 7-calendar-day period for notification to the TSP of an improper invoice.
  - d. If this notification exceeds seven (7) calendar days, the number of days between the notification day and the seven (7) calendar days in question is subtracted from the 30 calendar days allowed for payment of the invoice. For example, if an agency receives an invoice on 1 November but does not return it as improper to the TSP until 13 November, five (5) days after required, and the agency receives a corrected invoice on 20 November, the payment due date is 15 December, or five (5) days earlier, if the payment was due 30 days after receipt of a proper invoice.
  - e. Agencies are required to identify all defects that prevent payment.
  - f. The PPSO daily receives e-mails requesting an action to outstanding invoices in DPS. Also, an Aging Report has been established in DPS to identify transactions to which action is overdue. A TSP status report also exists for transactions in TPPS. This report, sent daily via



e-mail, outlines the status of each invoice (including cancelled invoices) and depicts each line item's quantities and cost as approved in DPS.

6. As-Is Improper Invoice Notification and PPI Clock Usage:

The following process flow depicts the points in the process where notification of an improper invoice may occur and where the PPA clock starts and stops.

- a. Invoice Submission: The TSP submits an EDI 859 Invoice to TPPS or creates an invoice via the TPPS User Interface. TPPS performs edit checks and acknowledges receipt of EDI 859 via EDI 997 (includes notification of error as well). If the invoice is rejected, the clock stops.
- b. Invoice Relay from TPPS to DPS: TPPS posts the TSP invoice and sends a copy via EDI 859 to DPS. DPS performs edit checks to include validating correct SCAC/BL combination and acknowledges receipt via EDI 997 and/or rejects via EDI 824. Rejected invoices are cancelled in TPPS. The clock stops. The TPPS create date is the start of the clock if there are no DPS rejected invoices.
- c. PPSO Invoice Approval/Denial/In Dispute: The PPSO receives an e-mail of pending invoices from DPS and approves, denies, or disputes the line items within three (3) GBDs (notification of invalid invoice is required in seven (7) calendar days). The TSPs are required to input the shipment weight information in DPS prior to invoicing. For approved line items, DPS then rates those on the invoice. Denied line items are rated as zero quantity and cost. For approved and denied line items, the clock does not stop in DPS. With regards to disputed line items, the PPI clock stops and restarts at zero when the dispute has been resolved.
- d. Rated BL Submission: DPS sends EDI 858 of rated BL/invoice to TPPS which then matches the TSP invoice.
- e. Invoice Modification: If the TSP invoice in TPPS does not match price or quantity to DPS rated BL/invoice, the invoice is in a status of Audit Exception in TPPS. TSPs receive the TSP Status Report via e-mail daily notifying the status of all the invoices in TPPS including those cancelled via EDI 824 from DPS. If there are denied line items, TSP accepts the partial payment (of the approved line items). The TSP must resolve the denied line items with the PPSO and send a supplemental invoice for those denied items they are entitled to. The clock restarts at zero with the new invoice.

The PPSO and the TSP must resolve any disputed line items in DPS. Upon resolution, the PPSO must approve the line item, which in turn is submitted to TPPS. The line items are only submitted to TPPS as part of the entire invoice, when all line items have been updated to the approved or denied status. At that point, the clock re-starts at zero. The transaction may wind up in Audit Exception in TPPS. The TSP must modify their invoice to match the output from DPS. The clock does not stop while the invoice is in Audit Exception and only stops when the TSP updates their invoice.

If the TSP believes the items were denied incorrectly by the rating engine and the original invoice amount and quantities were correct, the TSP must contact the SDDC help desk, initiating the request for PPA interest. These instances are handled on a case-by-case basis and are not automated.

- f. Invoice Approval: If the TSPs invoice amount is above the maximum dollar threshold established by the Services, the transaction is in "Approval Required" status and the PPSO must provide approval in TPPS before the TSP can be paid. The clock does not stop while transactions are in this status.

- g. **Invoice Payment:** If DPS rated BL/invoice matches on price and quantity with the TSPs invoice then the transaction is automatically paid. The clock start is from the “Create Date” in TPPS until the Payment Settled date.

**NOTE:** As part of the invoice verification process, the origin PPSO may request hard-copy documentation from the TSP (to include the DD Form 619, [Figure A-A-3](#)) for any invoice. In addition, the PPSO is required to review the hard-copy documentation for a set number of transactions selected at random. Under all circumstances, the PPSOs request for hard-copy documentation results in the PPI clock being stopped and restarted at zero after documentation has been received.

7. **Application of PPI – Scenarios:**

[Table A-A-9](#) provides examples of the application of PPI.

**Table A-A-9. Prompt Pay Scenarios**

Scenario	PPI Applications
<p>Scenario One:                      TSPs invoice EDI 859 submitted to TPPS by the TSP has improper format (caused by syntax errors). TSP receives an EDI 997 (acknowledgement of receipt will state invalid invoice), generated by TPPS. (No EDI 997 for User Interface-created invoice is provided – it either passes or fails in the User Interface itself).</p>	<ol style="list-style-type: none"> <li>1. Invoice is considered improper and is not be captured in TPPS.</li> <li>2. PPI clock stops.</li> </ol>
<p>Scenario Two:                      TSPs EDI 859 or User Interface invoice submitted to TPPS by the TSP has the proper format and is sent to DPS, but incurs errors beyond syntax (e.g., Vendor Name/SCAC) (e.g., The BL number and SCAC combination are incorrect). An EDI 824 error report is generated by DPS and made available to the TSPs in TPPS. TPPS provides a Status Report to the TSPs by e-mail.</p>	<ol style="list-style-type: none"> <li>1. Invoice is considered improper and is cancelled in TPPS.</li> <li>2. PPI clock stops and restarts at zero upon resubmission of invoice.</li> </ol>
<p>Scenario Three:                      The TSP submits an invoice in TPPS and on day seven, the PPSO approves the invoice items in DPS. DPS relays the rated invoice to TPPS. The invoice goes into “Approval Required” in TPPS as it is above the threshold established by the Services. PPSO takes 25 days to approve.</p>	<ol style="list-style-type: none"> <li>1. Clock begins on TPPS invoice creation date.</li> <li>2. TSP gets paid on day 32 from invoice creation.</li> <li>3. Two (2) days PPI owed.</li> </ol>
<p>Scenario Four:                      The TSP submits an invoice in TPPS and after 10 days from invoice submission the PPSO approves eight line items and denies two line items in DPS. The invoice is rated for the approved line items and sent to TPPS, where the invoice goes into Audit Exception on day 11 from invoice submission. TSP updates the invoice in DPS (zeros out the two denied line items) and in TPPS on day 12. The rated BL and the TSPs' invoice matches and is paid by TPPS. The TSP re-bills for the denied line items on day 12 from the original invoice submission and the PPSO takes 28 days to approve line items in DPS. Invoice is automatically approved in TPPS on day 40 from the original invoice submission.</p>	<ol style="list-style-type: none"> <li>1. TSP gets paid partial amount on day 12 from original invoice submission.</li> <li>2. PPI clock starts at 3 days (10 days - 7 days)</li> <li>3. TSP gets paid in full on day 40 for 2<sup>nd</sup> invoice.</li> <li>4. No PPI on the original invoice. For the supplemental invoice, 10 days of PPI is due.</li> </ol>
<p>Scenario Five:                      Same scenario as under scenario number Four, but includes one additional step: Upon further investigation, it is concluded that the PPSO denied the line items incorrectly. TSP initiates request for PPA on originally denied line items that were incorrectly denied.</p>	<ol style="list-style-type: none"> <li>1. PPI is settled on a case-by-case basis.</li> </ol>

Scenario	PPI Applications
<p>Scenario Six:                      The TSP submits an invoice in TPPS.                      The PPSO takes three (3) days to dispute one line item on the invoice and approve others in DPS. The approved line items are rated and the TSP zeros out the amount for the line item in dispute. The PPSO approves the invoice immediately and it is sent to TPPS. In TPPS, the transaction winds up in Audit Exception since the rated invoice from DPS does not match the original invoice filed in TPPS. The TSP updates the invoice in TPPS and is paid immediately on day 3 from invoice submission. TSP fails to provide PPSO required documentation in a timely manner. The disputed line item is resolved 35 days after invoice submission. The transaction is sent back to TPPS and is in Audit Exception. The TSP updates the invoice for the one line item on day 43.</p>	<ol style="list-style-type: none"> <li>1. PPI clock for the original invoice stands at three (3) days.</li> <li>2. PPI clock restarts at zero on day 35 when the invoice for the originally disputed line item is submitted to TPPS.</li> <li>3. TSP gets paid partially on day 3 and in full on day 43.</li> <li>4. No PPI due (43 days - 35 days = 8 days of PPI clock).</li> </ol>
<p>Scenario Seven:                      The TSP submits an invoice in TPPS.                      The PPSO takes three (3) days to dispute one line item on the invoice and approve the remainder in DPS. The TSP updates the invoice in DPS to reflect the government rated amount for the disputed line item on day 35 from invoice submission. The PPSO approves the updated line item and DPS relays the feed to TPPS. The transaction is sent back to TPPS and is in Audit Exception since the TSP did not update the invoice in TPPS. The TSP updates the invoice for the one line item in TPPS on day 80 and is paid immediately.</p>	<ol style="list-style-type: none"> <li>1. PPI clock restarts at zero on day 35 when the invoice is updated in DPS.</li> <li>2. The TSP gets paid on day 80.</li> <li>3. 15 days of PPI due (80 - 35 - 30 days = 15 days).</li> </ol>
<p>Scenario Eight:                      The TSP submits an invoice in TPPS.                      The PPSO takes 37 days to dispute one line item and approve the remaining in DPS. The TSP updates the one line item to reflect the government-rated line immediately in DPS. The PPSO approves the line item immediately and the transaction is sent to TPPS. It winds up in Audit Exception since the TSP did not update the invoice in TPPS. The TSP updates the Invoice on Day 40 in TPPS and the invoice subsequently goes into "Approval Required" since it is above the services-established threshold. The PPSO takes three (3) days to approve the invoice in TPPS.</p>	<ol style="list-style-type: none"> <li>1. PPI clock starts at 30 days (37 - 7 days) when invoice is submitted to TPPS.</li> <li>2. The TSP gets paid on day 43.</li> <li>3. 13 days of PPI due (43 - 30 = 13 days).</li> </ol>
<p>Scenario Nine:                      The TSP submits an invoice in TPPS. The PPSO approves all line items in DPS on day 8. The invoice is above the threshold and has a status of "Approval Required" in TPPS. PPSO approves the invoice in TPPS on day 34.</p>	<ol style="list-style-type: none"> <li>1. TSP gets paid on day 34 from invoice submission.</li> <li>2. 4 days of PPI due (34 - 30 days = 4 days).</li> </ol>

8. Process for Calculation and Posting of PPI:

- a. The TPPS provider generates a report for paid invoices that includes those outstanding more than 30 days using the status in TPPS, "Invoice Creation Date" to "Payment Settled", as parameters. This report is available on demand through TPPS, and includes invoices and LOA used for the invoices in question.
- b. USTRANSCOM runs report three times a week.
- c. USTRANSCOM then analyzes the invoices in question to determine whether the transactions are subject to PPI. USTRANSCOM determines whether PPI is applicable, taking into account the required seven (7) days for notification, as well as the PPI clock reset in the event a transaction has been "in dispute."
- d. If it is determined PPI is owed, the PPI worksheet calculates the amount of PPI owed to the TSP. The basis of the PPI is the entire invoice-amount.
- e. USTRANSCOM creates an eBill in TPPS due to the TSP referencing the TSP invoice number and BL number. A specific item code for PPI is used on the eBill. The eBill transactions become another paid item on the TPPS Summary Invoice for a PPSO. The eBill contains the LOA for PPI as provided by the origin PPSO's Service.

- f. The origin PPSO must approve the eBill as created by USTRANSCOM.
- g. DFAS, upon receipt of the summary invoice, applies the interest to the specific Service associated with that LOA as mentioned above.
- h. The Government will reimburse TPPS provider for interest when appropriate.

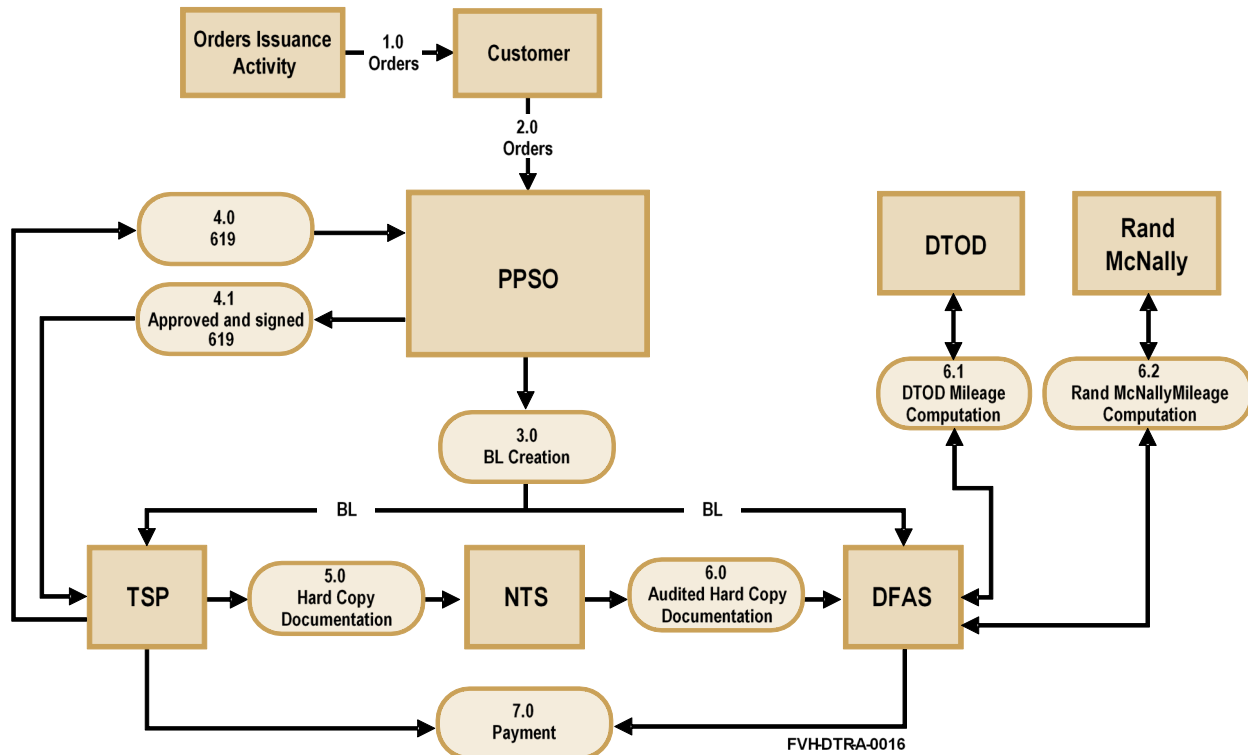
9. Procedures for Submitting Penalty PPI Request:

The following is the high-level process for paying penalty interest for interest payments that have not been made within 10 days of the invoice payment date.

- a. The TSP creates a request to receive penalty interest on invoices that are accumulated interest but has not received an interest payment after 10 days. This request must be made within 40 days of the payment date or the request is not valid. The request must be submitted with the proper information.
- b. DPS Help Desk identifies the request and forwards it to Tier 2 level employees for analysis. The Tier 2 employee first analyzes the transaction and determines if the transaction is owed interest initially and whether or not the transaction is due penalty interest.
- c. If the transaction is owed penalty payment of interest, the Tier 2 employee creates an eBill. The eBill must be created in TPPS for double the amount of interest or a minimum of \$25 and a maximum of \$5000. Additionally, if the original interest payment has been paid, the amount paid would be the double of the original interest or a minimum of \$25 and a maximum of \$5000 - original interest (i.e., if the double interest payment is \$100 and the original interest in the amount of \$50 has already been paid,  $\$100 - \$50 = \$50$  is owed to the TSP because of the penalty interest). If the transaction is not owed double payment of interest, the Tier 2 employee would not create an eBill but would identify why the interest was not paid.
  - (1) The Tier 2 employee must then notify DPS Help Desk if the eBill has been created or if the double interest request has been denied.
  - (2) If the penalty interest was granted, the help desk must notify the TSP that an eBill has been generated and waiting approval by the PPSO. If the penalty interest request is denied, DPS Help Desk must close out the service request with a note stating why the double interest request was denied and forward the closed service request to the TSP.
- d. After the eBill has been created, the eBill enters the “Approval Required” status in TPPS. During the routine checks for transaction in “Approval Required” Status, the PPSO identifies the eBill and approves or denies the transaction based on analysis. If approved, the eBill enters “Payment Settled” status and is paid by TPPS via EFT. If denied, the eBill does not get paid by TPPS and a record of the eBill is held in TPPS with a note describing why the item has been denied.

### D. Contingency Plan

Figure A-A-5 depicts the contingency option to process shipments manually in cases where the system is down for an extended period of time and there is no internet connection. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows.



**Figure A-A-5. High-Level Contingency Process**

- 1.0 Order/Authorization Issuance Activity prepares the order/authorization, and the activity’s funds manager/budget office makes sure that the proper accounting data (e.g., TAC/LOA/MDC) is entered on the TOD. The order/authorization is given to the customer.
- 2.0 The customer then relays the order/authorization to the PPSO.
- 3.0 The PPSO then creates a BL based on the order/authorization received and forwards the document to the TSP and DFAS. The PPSO maintains a copy of each BL issued, including those that are cancelled.
- 4.0 The TSP performs services, such as prepares and submits the inventory, weight ticket, and DD Form 619 to the applicable origin or destination PPSO for review and approval.
- 4.1 The applicable origin or destination PPSO will review and authorize the DD Form 619, then return it to the TSP.
- 5.0 The hard-copy documentation is either sent to GSA-approved pre-payment auditor (for example, National Traffic Service) directly or the documents are sent to DFAS and then forwarded to the pre-payment auditor.
- 6.0 DFAS and TSP representatives work to resolve billing discrepancies, such as missing signatures or differing cost amounts. If a billing dispute needs to be escalated, it is raised to the USTRANSCOM, and eventually to GSA if the disagreement cannot be resolved.

- 6.1 DTOD is used for ITGBL computation of LH and accessorial costs by DFAS.
- 6.2 Rand McNally mileage is used for TGBL computation of LH and accessorial costs by DFAS.
- 7.0 DFAS reviews, certifies the invoice for payment, and makes the payment to the TSP.

## **E. Processing Transactions in DPS or TPPS**

The Service HQ must create a contingency plan to process transactions in DPS and TPPS. This plan must ensure all transactions are processed if the PPSO site does not have the capabilities to access any of the systems. Transactions which must be processed during this scenario include pending invoices in DPS, Approval Required transactions in TPPS, and the summary invoice. The contingency plan must determine the personnel who are responsible for processing transactions, relocation of any hardware needed for functionality, and the processing location.

### **1. Proper Invoice Submission:**

One of the Defense personal property program's objectives is to replicate the current program's billing procedures (prior to DPS) into an electronic format using the TPPS as a payment tool to pay the TSPs. The electronic billing procedures provide information visibility for stakeholders; improve the DFAS payment and collection process; and reduce the amount of paper documentation. These objectives provide a more efficient way of billing. While achieving the program's objectives, it is important to note that the business rules and procedures of the DTR are the main guidelines for the DP3.

Outlined below are guidelines the TSP must use when submitting invoices to DPS for services performed. Adherence to these guidelines ensures the TSP is submitting the invoice properly and all charges are properly processed in a timely and efficient manner. The following guidelines highlight the charges that included under one invoice when billing through the DP3.

### **2. Guidelines for Proper Invoicing:**

- a. All origin SIT charges including LHS with fuel surcharge, and all associated accessorial.
- b. All destination SIT with storage less than 30 days, including fuel surcharge and all associated accessorial.
- c. All destination SIT charges with storage more than 30 days, including fuel surcharge and all associated accessorial. These services can be billed in 30-day increments, or TSP can wait until shipment is delivered before invoicing.
- d. Partial delivery of destination SIT, including fuel surcharge and all associated accessorial.
- e. Partial and remaining portion of destination SIT, including the fuel surcharge and all associated accessorial.
- f. Reimbursement invoice(s) (credit invoice).
- g. Reimbursement invoice(s) with re-invoiced charges (i.e., denied charge(s)).
- h. Direct deliveries including LHS with fuel surcharge, and all associated accessories.
- i. Any denied item code(s) from previous invoicing.
- j. Any item code(s) that was accidentally left off of the previous invoicing.

**NOTE 1:** Exceptions to these guidelines are handled on a case-by-case basis.

**NOTE 2:** TSPs must not submit an invoice for each item code. Single item invoices that do not conform to the procedures outlined above are denied. The TSP is required to resubmit charges using one of the invoice formats listed in the invoicing guidelines.

## F. Shipment Codes of Service

The following shipment codes of service are used for Through Government Bill of Lading (TGBL) and International Through Government Bill of Lading (ITGBL) shipments.

1. [Domestic Motor Van \(Code 1\)](#). Movement of household goods whereby the carrier provides packing, pickup, and loading in a motor van from origin residence in the Continental United States (CONUS) to destination residence in CONUS. Automated systems will use Code 1A for interstate movements and Code 1B for intrastate movements.
2. [Domestic Container \(Code 2\)](#). Movement of household goods whereby the carrier provides packing, pickup, and loading in containers from origin residence in CONUS to destination residence in CONUS. Automated systems will use Code 2A for interstate movements and Code 2B for intrastate movements.
3. [International Door-to-Door Container \(Code 3\)](#). Carrier provides origin services, line-haul service from origin residence to a commercial ocean terminal, ocean transportation using Military Surface Deployment and Distribution Command Operations Universal Service Contract rates for over the ocean portion of the shipment, line haul to destination residence, and destination services.
4. [International Door-to-Door Container \(Code 4\)](#). Movement of household goods in Military Surface Deployment and Distribution Command approved door-to-door shipping containers (wooden boxes) whereby a Transportation Service Provider provides complete through service from origin residence to destination residence over land and/or ocean means.
5. [International Door-to-Door Container Government Ocean Transportation \(Code 5\)](#). Movement of household goods in Military Surface Deployment and Distribution Command approved door-to-door shipping containers (wooden boxes) whereby a carrier provides line-haul service from origin residence to military ocean terminal, the government provides ocean (Military Sealift Command) transportation to designated port of discharge, and the carrier provides line-haul service to destination residence, all without rehandling of container contents.
6. [International Door-to-Door Air Container \(Code 6\)](#). Movement of household goods whereby the carrier provides containerization at the origin residence, surface transportation to the airport nearest origin that can provide required services, air transportation to the airport nearest destination that can provide required services, and transportation to the destination residence.
7. [International Land-Water-Land Baggage \(Code 7\)](#). Movement of unaccompanied baggage whereby the carrier provides packing and pickup at origin, surface transportation to destination, and cutting of the banding and opening of the boxes at the destination residence.
8. [International Land-Air-Land Baggage \(Code 8\)](#). Movement of unaccompanied baggage whereby the carrier provides packing and pickup at origin, transportation to the origin airport, air transportation to the destination airport, surface transportation to destination, and cutting of the banding and opening of the boxes at the destination residence.
9. [International Door-to-Door Container –Air Mobility Command \(Code T\)](#). Movement of household goods whereby the carrier provides containerization at the origin residence and transportation to the designated Air Mobility Command terminal. Air Mobility Command provides terminal services at both origin and destination and air transportation to the designated Air Mobility Command destination terminal. The carrier provides transportation to the destination residence.
10. [International Land-Air \(Air Mobility Command\) – Land Baggage \(Code J\)](#). Movement of unaccompanied baggage whereby the carrier provides packing and pickup at the origin and transportation to the designated Air Mobility Command terminal. Air Mobility Command

provides terminal services at both origin and destination and air transportation to the designated Air Mobility Command destination terminal. The carrier provides transportation to destination from Air Mobility Command terminal and cutting of the banding and opening of the boxes at the destination residence.

### **G. Electronic Bill Payment for NTS**

This NTS electronic bill payment process is accomplished by multiple interfacing automated systems. Web-Enabled Transportation Operational Property Standard System (ETOPS) transmits government line item order data via Electronic Data Interchange (EDI) 858 to the TPPS upon the PPSO's validation of the monthly and quarterly (when applicable) invoices. Invoices are complete when the NTS TSP has provided the PPSO with the weight tickets for handling-in and actual release date on handling-out. When the TPPS receives the monthly/quarterly data from ETOPS, the government order and corresponding invoices will automatically be created. Each item will be placed in an approval required status pending TSPs Notice of Completion (NOC) and the PPSOs approval action. The TPPS then processes a payment to the NTS TSP, normally within three (3) GBDs. Invoice audit trail, payment tracking and transaction visibility is achieved.

The TPPS maintains an LOA Chart of Account (COA) sourced by the DFAS Transportation Global Edit Table-Revised (TGET-R) and uses the table to retrieve, validate, and edit LOA contained in the Tender of Service issued by the PPSO. ETOPS calculates an estimated shipment cost based on shipment data gathered throughout the shipment process. The cost estimate is populated into an electronic shipment file, the EDI 858 data feed, and is transmitted to the DFAS for payment.

### **H. NTS PAYMENT Process**

At the end of the billing cycle, the TPPS electronically generates monthly Summary Invoices, which show all payments to the TSPs made by the TPPS provider on behalf of the DoD and credits to the DoD. The monthly summary statement is made available for online viewing and certification by the PPSO Certifying Officer (CO). The monthly summary statement certification triggers the TPPS to send a copy of the EDI data feed to the DFAS. The DFAS matches the certification and processes the monthly summary statement for payment (reimbursement) back to the TPPS provider.

Invoices for accessorial services that do not match the service order will also require the PPSO review in approval required. The PPSO can dispute NTS TSP invoiced line item(s) by assigning a status of "In Dispute" to the line item and providing reason(s). If an invoice is disputed for one or more line items, the TSP is notified via the TPPS. Negotiation and resolution between the NTS TSP and the PPSO must be achieved for all "In Dispute" items before they are approved in the TPPS.

The prompt payment interest "clock" begins when the TSP successfully submits the Notice Of Service Completion (NOSC) in the TPPS. The "clock" stops during the dispute process as well as for rejected invoices.

#### **1. Process 1 – PPSO Validates/Edits Accounting Data:**

As part of the personal property counseling process, the PPSOs/Personal Property Processing Offices enter shipment and funding data in ETOPS from the customer's travel order. If the correct funding data is not provided on the order, the PPSO will refer the customer to the order issuing authority for resolution.

The TPPS maintains an LOA COA sourced by the data contained in the DFAS TGET-R repository. If the invoice contains LOA data that is formatted correctly (i.e., FA2 format), but is incomplete, it will still transmit to the TPPS and align under the manual side of the monthly summary statement.



2. Process 2 – Initial Cost Estimates:

Estimated shipment costs will not be calculated/used within this interim electronic payment process.

3. Process 3 – Global Exchange (GEX) Validates and Translates EDI 858:

The calculated shipment cost file from ETOPS is sent to GEX via a New Shipment EDI 858. GEX translates the data from the EDI 858 into the appropriate User Defined File (UDF) 821. GEX uses the value in the Accounting Installation Number (AIN) field of the FA2 LOA to determine the DFAS/Payment Center location to which the ensuing UDF 821 must be routed. The UDF 821 data feed is a customer file used to communicate expense obligation and accruals in an accounting context.

4. Process 4 – DFAS/Payment Center Accounting and Entitlement Systems Validation:

When travel orders are established, the Funds Manager (FM) obligates funds to cover all related expenses to be incurred by the traveler per the order. The FM creates the obligation in the travel order issuing entity's accounting system. The obligation file is transmitted to the DFAS on a routine basis.

With the UDF 821 from GEX, the DFAS validates LOA/obligations for each transaction. When a transaction fails the local edits, the DFAS notifies the FM responsible for the LOA/obligation to take corrective actions. The LOA and obligation data reside in the DFAS until they are matched with invoice data received from the TPPS at the end of the billing cycle.

5. Process 5 – TSP Invoices created in TPPS:

a. Handling-In and Handling-Out Invoices:

The TSPs must complete services by the end of the calendar month and submit the inventory and weight tickets prior to the 7th calendar day of the following month. The PPSO will input the shipment weights and print the monthly handle-in and handle-out invoices from ETOPS not later than the 7th calendar day.

The TPPS assigns a unique identifier known as the LineIDC to each line item submitted on the TSP's invoice and transmits the EDI 859. The TSPs have the option of submitting more than one invoice against a single DD Form 1164, Service Order for Personal Property. Each invoice must reference the NTS Service Order Number and have a unique invoice number assigned by ETOPS.

b. Quarterly Storage Invoicing:

The PPSO will determine the status of all pending receipt actions up to the end of the current billing quarter by the NTS TSP through ETOPS management reports. Once all handling-in and handling-out receipt actions for the current billing quarter have been validated, the PPSO will generate the quarterly storage order for each NTS TSP's Standard Carrier Alpha Code through ETOPS to the TPPS.

c. Invoices for Accessorial Services:

Upon completion of services and submission, the TSP submits an invoice for services (including the NOSC) in TPPS using one of two available methods:

- (1) Through an EDI 859 transaction set (the EDI 859 is a generic electronic interface for shipment information).
- (2) Manually through the TPPS User Interface. This can be accomplished by creating an invoice from the service order.

6. [Process 6 – Approval Required in TPPS:](#)

TPPS uses the existing Shipment EDI 858 data from ETOPS to create the TSP's invoice. The Services' maximum price threshold will be set at \$0, triggering a manual PPSO approval required for all invoices. Once the PPSO has approved the item and the TSP has entered the NOSC, the TPPS provider will pay the TSP. The PPSO will have three (3) GBDs to approve, dispute, or deny Handle In and Handle Out invoices and seven (7) GBDs for Quarterly Invoices.

7. [Process 7 – Audit Exception Process in the TPPS:](#)

Audit Exceptions will not be a part of the interim NTS payment process.

8. [Process 8 – TPPS Summary Invoice Generation and Certification:](#)

At the end of the NTS TPPS billing cycle, the monthly summary invoice listing all payments with corresponding accounting information made by TPPS provider on behalf of the DoD to the TSPs is generated. The monthly summary invoice will also include DoD credits. The PPSO COs may access the monthly summary invoice online for review and certification. The PPSO COs also review the individual transactions presented on the monthly summary invoice and confirm the validity of accounting information used and the accuracy of costs. If the accounting information is incorrect, the PPSO COs uses the TPPS COA to update accounting information.

The monthly summary invoice may reflect two different sections for accounting data, an "electronic" (FA2-compliant) and a "manual" (text LOA) listing. If there is a manual listing on the PPSO's monthly summary invoice, then the PPSO CO will print a hard-copy monthly summary invoice certifying the Text LOAs by signing and sending the report to the DFAS/FINCEN payment center. The PPSO CO must certify the monthly summary invoice within five (5) GBDs of the monthly summary invoice being made available in the TPPS.

The TPPS provides a separate PPSO account for processing all NTS charges (i.e., handling-in, handling-out, accessorial, and quarterly storage charges).

The monthly summary invoice billing cycle will be on the 25th calendar day of each month.

9. [Process 9 – Reconciliation and Obligation Adjustment:](#)

Reconciliation and Obligation Adjustment will not be included under the interim NTS TPPS electronic payment process.

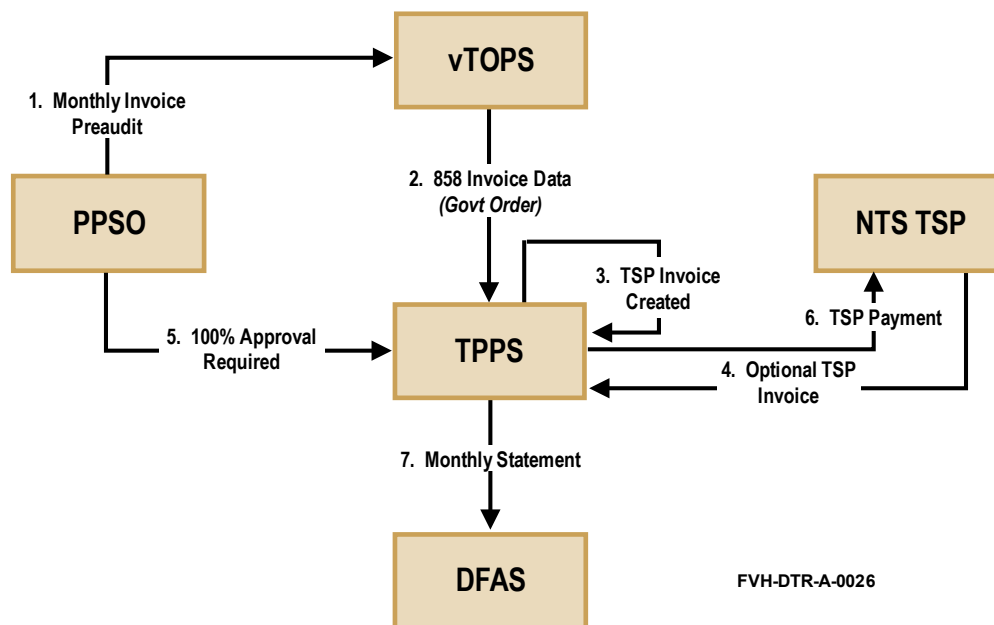
10. [Process 10 – The DFAS/Payment Center Approval and Processing of Payment to TPPS Provider:](#)

Within 48 hours after monthly summary invoice certification, the TPPS creates an EDI 810 Invoice for each DFAS office using the electronic accounting data on the monthly summary invoice. The EDI 810 is a generic electronic interface for invoice data. The TPPS sends the EDI 810 to the GEX. The GEX translates the EDI 810s into UDF 810s and sends them to the DFAS.

Using the transmitted UDF 810, the DFAS pre-validates payments by confirming the existence and accuracy of the LOA and confirming sufficient funds were obligated. There is no tolerance level within the pre-validation process. If insufficient funds were obligated, by any amount, the invoice will not be approved for payment.

Once pre-validation is successful, the DFAS pays TPPS provider via an Electronic Funds Transfer (EFT).

11. NTS TPPS Electronic Payment Process Flow:



**Figure A-A-6. Interim NTS EBP Process Flow**

- a. 1. Monthly Invoice Preaudit: The PPSOs will execute a monthly audit process on active NTS lots within ETOPS to ensure shipment details are correct (e.g., NTS lots are authorized continued storage, proper weights have been entered).
- b. 2. 858 Invoice Data: Invoice data EDI 858 from ETOPS to the TPPS: EDI 858 information is sent to the TPPS.
- c. 3. TSP Invoice Created: The TSP invoice is created from the Government Order immediately after receiving the EDI 858 data file.
- d. 4. Optional TSP Invoice: The TSP can also submit an invoice either electronically in an EDI 859 or manually via the TPPS Web interface or accept the invoice created automatically by the TPPS in [Paragraph H.11.c](#) above. If the TSP invoice in the TPPS does not match the TPPS order, the invoice will be in a status of “Audit Exception.” The TSPs receive the TSP Status Report via e-mail daily notifying the status of all the invoices in the TPPS. If there are denied line items, the TSP accepts the partial payment (of the approved line items). The TSP will resolve the denied line items with the PPSO and resend a supplemental invoice for those denied items to which they are entitled. The clock will restart at zero with the new invoice.
- e. 5. 100 percent Approval Required: If the TSPs invoice amount is above the maximum dollar threshold established by the Services, the transaction will be in “Approval Required” status and the PPSO has to provide approval in the TPPS before the TSP is paid.
- f. 6. TSP Payment: When the PPSO completes the approval required and the TSP enters the service completion, payment is executed.
- g. 7. Monthly Statement: The monthly statement will cycle on the 25th of each month.

**NOTE:** As part of the invoice verification process, the PPSO has the privilege to request hardcopy documentation from the TSP for any invoice. In addition, the PPSO is required to random sample in connection with this document. Under any circumstance, the PPSOs request for hard-copy documentation will result in the Prompt Payment Interest clock being stopped and restarted at zero (0) once documentation has been received by the TSP.

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