



DEFENSE LOGISTICS AGENCY
HEADQUARTERS
8725 JOHN J. KINGMAN ROAD
FORT BELVOIR, VIRGINIA 22060-6221

February 16, 2016

MEMORANDUM FOR FINANCE PROCESSS REVIEW COMMITTEE (PRC)

SUBJECT: Proposed Defense Logistics Management Standards (DLMS) Change (PDC) 1204,
Notification Procedures for Mass Billing Errors (Finance)

We are forwarding the attached proposed change to DLM 4000.25, Defense Logistics Management Standards, for evaluation and submission of a single coordinated Component/Agency position. It is the PRC representatives' responsibility to ensure full coordination of this proposal within their Component/Agency.

Request you review the attached proposed change and provide your comments/concurrence to Defense Logistics Management Standards Office not later than **30** days from the date of this memorandum. If non-concurrence is provided, please provide an alternate method to meet the requirement being addressed.

Addressees may direct questions to Mr. Robert Hammond, Chair, Finance PRC, email financehq@dla.mil. Others must contact their Component/Agency designated representative shown at <https://www2.dla.mil/j-6/dlms/CertAccess/SvcPointsPOC/allpoc.asp> (DOD Common Access Card restricted).

DONALD C. PIPP
Director
Defense Logistics Management
Standards Office

Attachment
As stated

cc:
ODASD (SCI)
OUSD (C)

Attachment to PDC 1204 Notification Procedures for Mass Billing Errors

1. ORIGINATING SERVICE/AGENCY AND POC INFORMATION:

- a. **Technical POC**: Defense Logistics Management Standards Office (DLMSO)
- b. **Functional POC**: Robert Hammond, Chair, Finance PRC, email finance@hq.dla.mil

2. FUNCTIONAL AREA: Finance

3. **REFERENCE**: [DLM 4000.25](#), Defense Logistics Management Standards, Volume 4, Military Standard Billing System (MILSBILLS) – Finance

4. REQUESTED CHANGE(S):

a. **Brief Overview of Change**: This change to MILSBILLS procedures (see Reference) provides procedures for billing offices to notify their Finance PRC (FPRC) representatives of significant or mass billing errors, who in turn will assist in coordination with appropriate Component FPRC representatives and the FPRC Chairman.

b. **Background**: In 2015, there were three known instances of significant or mass billing errors. While those instances were resolved in a timely manner, MILSBILLS currently lacks procedures for coordinating with applicable Component FPRC Representatives and the FPRC Chairman.

c. **Procedures, Transactions, Data Elements, Processing Details in Use Today**: Notification procedures regarding correction of significant or mass billing errors are at the discretion of billing office staff, who may not know whom to contact, or the intricacies of customer financial systems and processes.

d. **Requested Change in Detail**: Incorporate into MILSBILLS the procedures for notifying applicable FPRC Component representatives and the FPRC Chairman regarding instances of significant or mass billing errors.

e. **Revisions to DLM 4000.25 Manuals**: Add to DLM 4000.25, Volume 4, Chapter 2, Billing Procedures the revisions highlighted in red, bold italics below:

“C2.4. CORRECTION OF ERRONEOUS BILLINGS

C2.4.1. Billing Forwarded To Customer. When a billing office finds it has issued an invoice containing one or more erroneous billing lines, it will correct the erroneous billing line in a later invoice. Normally, billing offices are expected to reverse and reissue only the erroneous billing line, not the entire invoice. The corrections will be processed as soon as practical and will not await customer requests for adjustments.

C2.4.2. Billing Rejected By Transaction Services. Billings rejected by Transaction Services must be corrected and resubmitted to obtain reimbursement. Corrective procedures will include *preserving* the accounting records *along with records of causative research* to maintain the audit trail and the

validity of the records. For example, in-transit interfund collections and paid accounts receivables related to the rejected bills will have to be reversed.

C2.4.3. Notifications. Billing offices will advise their Finance PRC representative of significant or mass billing errors and their planned corrections. Finance PRC representatives will assist in coordinating with billed offices and will apprise the Chairman and other PRC members of the situation, normally, via e-mail. Notifications may be made simultaneously to the Chairman at financehg@dla.mil. Note that some financial systems may reject bills resubmitted with the same billing number.

f. Alternatives: None.

5. REASON FOR CHANGE: Incorporates procedures into MILSBILLS for notification and coordination in instances of significant or mass billing errors.

6. ADVANTAGES AND DISADVANTAGES:

a. Advantages: Provides billing offices with notification procedures in instances of significant or mass billing errors. Facilitates coordination for prompt resolution to mitigate potential significant impact on Component missions as the result of incorrect financial account balances. Provides visibility at the appropriate level for addressing potential process or systems deficiencies.

b. Disadvantages: None noted.

7. ESTIMATED TIME LINE/IMPLEMENTATION TARGET: Upon approval.

8. ESTIMATED SAVINGS/COST AVOIDANCE ASSOCIATED WITH IMPLEMENTATION OF THIS CHANGE: Unknown.

9. IMPACT:

a. DLMS Data Elements: There are no additions or changes to DLMS data elements.

b. Automated Information Systems (AIS): There is no impact to Component AIS'.

c. Transaction Services: There is no impact to procedures or systems.