



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3000 MARINE CORPS PENTAGON
WASHINGTON, DC 20350-3000

MCO 7300.21B
RFA
18 MAY 2015

MARINE CORPS ORDER 7300.21B

From: Commandant of the Marine Corps
To: Distribution List

Subj: MARINE CORPS FINANCIAL MANAGEMENT STANDARD OPERATING
PROCEDURE MANUAL

Ref: See Enclosure (1)

Encl: (1) Reference List
(2) Financial Management Standard Operating Procedures,
Guidance and References

1. Situation. To publish policy which provides Comptrollers and Fund Managers with standard operating procedures (SOPs) pertaining to the preparation, recording, reconciling, reporting and maintenance of financial records through all stages of funds management.

2. Cancellation. MCO 7300.21A.

3. Mission. Direct and standardize effective and efficient financial principles and operations in support of organizational goals and objectives.

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. Demonstrate financial excellence through improved policy and guidance in order to develop and sustain workforce competence, comply with applicable laws and regulations, and employ best practices that effectively and efficiently support the Marine Corps in meeting its mission directives.

(2) Concept of Operations. This Order directs the execution of Financial Management (FM) operations at the Headquarters, Marine Corps (HQMC) and subordinate command levels,

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and is also intended to govern overall FM operations and functions where a Comptroller is absent in order to promote the efficient and effective use of funds.

5. Administration and Logistics

a. This Order will be reviewed bi-annually to commensurate with the T&R manual review process for FM.

b. Recommendations concerning the contents of this Order may be forwarded to CMC, Accounting and Financial Systems Branch (RFA) via the appropriate chain-of-command.

c. The generation, collection, or distribution of personally identifiable information (PII) and management of privacy sensitive information shall be in accordance with the Privacy Act of 1974, as amended, per references (z) and (aa). Any unauthorized review, use, disclosure, or distribution is prohibited.

d. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (ab) to ensure proper maintenance, use, accessibility, and preservation regardless of format or medium.

6. Command and Signal

a. Command. This Order is applicable to the Marine Corps Total Force.

b. Signal. This Order is effective the date signed.


G. M. WALTERS
Deputy Commandant for
Programs and Resources

Distribution: PCN 10210035700

Reference List

- (a) CFR Title 5
- (b) Title 10, U.S.C
- (c) Title 31, U.S.C.
- (d) Title 37, U.S.C.
- (e) Title 41, U.S.C.
- (f) Title 48, U.S.C.
- (g) National Archives and Records Administration (NARA)
General Records Schedules (GRS)
- (h) DoD 7000.14-R, "Department of Defense Financial
Management Regulation (DoD FMR)," June 2011 (
- (i) Joint Travel Regulations (JTR)
- (j) DoDI 4000.19, "Support Agreements," April 25, 2013
- (k) DoD Guidebook for Miscellaneous Payments, Feb. 2014
- (l) SECNAVINST 7000.27B
- (m) NAVSUPINST 4200.99B
- (n) NAVMC 3500.69A W/CH1
- (o) Marine Corps Manual W/CH 1-3
- (p) MCO 1300.8R
- (q) MCO 4400.150
- (r) MCO 4610.37F
- (s) MCO 4650.39A
- (t) MCO 5200.24D
- (u) MCO 7540.2E
- (v) USMC GCPC SOP (Guidance Pursuant to NAVSUPINST
4200.99 Series, Distributed by HQMC I&L LB)
- (w) Marine Corps Acquisition Procedures Supplement (MAPS)
- (x) OMB Circular A-11
- (y) OMB Circular A-123
- (z) 5 U.S.C. 552a
- (aa) SECNAVINST 5211.5E
- (ab) SECNAV M-5210.1

LOCATOR SHEET

Subj: MARINE CORPS FINANCIAL MANAGEMENT STANDARD OPERATING
PROCEDURE MANUAL

Location: _____
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RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporated Change

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Chapter 1

Authorization and Availability of Budgetary Resources

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Chapter 1

Authorizations and Availability of Budgetary Resources

1000. General. This chapter outlines the appropriation process for availability of budgetary resources and funds flow to support Marine Corps mission requirements. See Figure 1-1 below for an overview of the appropriation and funds flow process. Refer to volume 2A, "Budget Formulation and Presentation," volume 2B, "Budget Formulation and Presentation," and volume 3, "Budget Execution-Availability and Use of Budgetary Resources" of reference (h), for additional information and guidance on this process.



Figure 1-1.--Appropriation and Funds Flow Process.

1001. Appropriations Process. All Marine Corps funds are provided by Congress, principally through two separate laws passed annually known as the National Defense Authorization Act and the Department of Defense (DoD) Appropriation Act. The passage of the authorization act provides authorization for the appropriation of funds; although, it does not provide authority to obligate funds. An approved appropriation act (passed by Congress and signed into law by the President) constitutes the authority for the government to incur liabilities (i.e., make obligations to obtain goods or services and to make payments for ordered and received goods and services) out of the U.S. Department of the Treasury (hereafter referred to as "Treasury").

1. Appropriations are created within the Treasury's general fund by Congress for specified purposes and cannot be used for other purposes than those stipulated by law. Some of the different purposes for which an appropriation is approved are to: pay for day-to-day operating costs (i.e., operation and maintenance (O&M) appropriations), purchase weapon systems and ammunition (i.e., procurement appropriations), pay for military labor costs (i.e., military personnel appropriations), pay for the construction of buildings and facilities (i.e., military construction appropriations), etc.

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2. When an appropriation act is passed by Congress and signed into law by the President, the funds distribution process begins. Treasury begins the distribution process by issuing Treasury Warrants (Financial Management Service (FMS) 6200) for each appropriation contained in the act. Treasury Warrants move the appropriated amounts in the act from the general fund into specific accounts designated by a specific Treasury symbol.

3. The Treasury issued Warrants begin the Office of Management and Budget (OMB) apportionment action. The apportionment process takes the annual amount authorized in the Treasury Warrant and breaks it down into quarterly authorization amounts. The concept of apportionments arose as part of the Antideficiency Act (ADA). Congress became concerned when various departments of the government spent appropriated funds at such a rapid rate that the appropriation was exhausted before the end of the fiscal year (FY). This situation required additional funding via supplemental appropriations to maintain uninterrupted operations and services. To avoid this situation, departments have their annual appropriations parceled out by quarter with only part of the authorized appropriation distributed in each quarter to support mission requirements.

4. The Continuing Resolution Authority (CRA) is a congressional action that provides budget authority for specific, ongoing activities in the event that the Annual Appropriation Act is not passed in a timely manner. The continuing resolution usually specifies a maximum rate at which the agency may incur obligations and is based either on the rate of spending of the prior year or a set formula. The CRA allows Marine Corps commands to continue daily operations before authorizations have been passed down by Programs and Resources (P&R). P&R will provide specific guidance upon approval of the CRA and on the limits commands are authorized.

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1002. Fund Flow Process. After funds are appropriated by Congress, they are apportioned (i.e., annual amount is broken into quarterly amounts) to the Office of the Secretary of Defense (OSD) by the OMB. The DoD in turn subapportions funds to the Assistant Secretary of the Navy (Financial Management and Comptroller) (ASN (FM&C)). ASN (FM&C) passes an allocation to the applicable Responsible Office within the Department of the Navy (DON). Responsible Offices are defined as the Headquarters (HQ) Command that is responsible for budgeting, accounting, and reporting the totality of an appropriation. Examples of Responsible Offices are Chief, Naval Operations (CNO) and Commandant of the Marine Corps (CMC).

1. The Responsible Office passes money down to an administering office. The administering office is assigned the responsibility of performing the budgeting, accounting, reporting, and issuing of operating budgets (OPBUDs) and allotments to commanders responsible for carrying out the missions of the Marine Corps. The Marine Corps is a small organization compared to the other services, HQMC assumes the role of both RO and administering office.

2. Although funds are passed to the commanders, administration of these OPBUDs/allotments is accomplished by the Comptrollers. Once commands receive funds, they commit, obligate, expense, and liquidate funding based on each source document created and processed to obtain required goods and services.

3. U.S. Marine Corps (USMC) funds are first received by the DON and then distributed to the USMC via the Navy's Program Budget Information System (PBIS). The DON issues a Funding Authorization Document (FAD) to the USMC for each specific appropriation, as well as shared appropriations. FADs are processed and funding is distributed from PBIS to the USMC accounting system, the Standard Accounting, Budgeting, and Reporting Systems (SABRS). There are two different types of FAD forms. One form comes from the Program Budget Accounting System (PBAS), while the other form is generated from PBIS after manual entry by a Budget Analyst from DON Financial Management - Budget (FMB).

4. Funds are passed via allocation and allotment to subordinate levels by authorized officials within SABRS. The act of passing these funds within SABRS automatically implies delegation of authority to further pass funding and/or to spend to the subordinate level. This passing of authority within SABRS must be supported in writing outside of SABRS.

5. An allotment is a formal distribution of an allocation or suballocation and must contain at least the same legal and other limitations applicable to the allocation or suballocation. Allotments must be in writing because an oral allotment generally has no validity.

6. An allocation is an authorization by a designated official of a DoD Component making funds available within a prescribed amount to an operating agency for the purpose of making allotments and incurring obligations.

a. An allocation or suballocation must be made in writing and contain an original grantor signature or the electronic equivalent.

b. Allocations, suballocations, or their parts, that are not required to be further subdivided may be treated and recorded as allotments.

7. All financial transactions are recorded and accumulated in SABRS into general ledger (GL) accounts. These accounts form the basis for the preparation of each executed FY Financial Statements. These statements reflect the position and use of resources by the Marine Corps.

1003. Marine Corps Appropriations. The Marine Corps is funded through many appropriations. The primary appropriations are classified into three types: annual (i.e., one year), multiple (i.e., more than one year), and no-year (i.e., continuing). The classification is determined by the period of time that the appropriation is available for obligations. Refer to the SABRS Financial Codes Manual in APPENDIX C for a complete list of appropriations by Treasury symbol under which the Marine Corps receives funds.

1. Annual Appropriations. These appropriations are generally used for current administrative, maintenance, and operational programs. Annual appropriations are available for incurring new obligations for only one FY. The term "new obligation" means the initial order, requisition, or contract to another command, government agency, or private business to obtain a good or service needed by the command for mission support or mission accomplishment. New obligations can only be created during the period of 1 October through 30 September for an annual appropriation. However, annual appropriations can have payments made against them for an additional five years beyond the authorized FY.

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2. Both the obligated and unobligated balances of an annual appropriation shall be available for adjusting and liquidating obligations properly chargeable to that account for five years after the time the appropriation expires for incurring new obligations. In other words, in the first year, new obligations can post, and, in years two through five, typically no new obligations can post; however, there are certain instances where new obligations can post (e.g., ADA violation, contract protest, etc.). See volume 3, chapter 10, "Accounting Requirements for Expired and Closed Accounts" of reference (h), for additional information and guidance.

3. Expenses and liquidations can continue to post, such as when goods or services are received and accepted following the close of the FY in which the appropriation was authorized. After five years no new obligations or expenses can occur. Examples of annual appropriations and their associated Treasury symbols are as follows:

a. Military Personnel, Marine Corps (MPMC) (1105). The MPMC appropriation provides funds for: the pay and allowances of all active duty Marines, the cost of subsistence for enlisted personnel, costs related to (PCS) travel and other personnel costs, and for a variety of other miscellaneous military personnel costs.

b. Reserve Personnel, Marine Corps (RPMC) (1108). The RPMC appropriation provides the required resources to assure accomplishment of the Marine Corps Reserve mission to augment and reinforce the active component with trained units and individual Marines as a sustainable and ready operational reserve. Funding is provided for pay, allowances, clothing, subsistence, gratuities, travel, disability and hospital benefits, and related expenses for personnel of the Marine Corps Reserve on active duty undergoing Annual Training (AT), Inactive Duty Training (IDT), or equivalent duty as authorized by law under reference (b) and reference (d).

c. Operation and Maintenance, Marine Corps (O&M,MC) (1106). The O&M,MC appropriation provides funds for: officer and enlisted training, recruiting, administration, operation of the supply system, maintenance of equipment, Temporary Duty (TDY) travel and miscellaneous costs; and medical and dental care. It also provides funds for personnel support activities such as dining facilities, barracks, and bachelor officers' quarters, Civilian Marine Pay, maintenance and repair of property, operation and purchase of utilities, minor construction, engineering support,

and other base services, such as motor transport, communications, security, etc.

d. Operation and Maintenance, Marine Corps Reserve (O&M,MCR) (1107). The O&M,MCR appropriation provides funds for Marine Corps Reserve units to support: equipment operating costs, consumable supplies, maintenance of HQMC-furnished augmentation equipment, and TDY costs in support of reserve training conferences, the O&M of reserve training centers, maintenance and replacement of station property, reserve recruiting operations, and hire of commercial transportation for field training of reservists.

4. Multiple Year Appropriations. These appropriations are available for incurring obligations for a definite period in excess of one FY. Multiple year appropriations provide funds for weapons, ammunition, and other major items required by the Operating Forces and finance the research into advanced combat weaponry and equipment. Examples of multiple year appropriations and their associated Treasury symbols are:

a. Procurement, Marine Corps (PMC) (1109). The PMC appropriation provides funds for the procurement of major items of equipment (i.e., investment items), including tanks, trucks, radios, and guided missile equipment. It also provides for major items of commercial equipment and support of initial outfitting of spares/major parts for newly fielded weapon systems. This appropriation is administered by Marine Corps Systems Command (MARCORSYSCOM).

b. Research, Development, Test, and Evaluation, Navy (RDT&E,N) (1319). The RDT&E,N appropriation finances the research into advanced combat weaponry and equipment. The Marine Corps receives funding from the Navy in support of development projects. This appropriation is administered by MARCORSYSCOM.

c. Procurement of Ammunition, Navy and Marine Corps (PANMC) (1508). The PANMC appropriation funds ammunitions (e.g., small arms, artillery, land based missiles) in support of Marine Corps training and operations. This appropriation is administered by MARCORSYSCOM.

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5. No-Year Appropriations. These appropriations are more accurately described as revolving funds. Revolving funds finance a cycle of operations in which the original no-year funds are used and then replenished through reimbursements and collections from other appropriations. This process allows the revolving fund to be self-sufficient once it is established by Congress. Examples of no-year appropriations include:

a. Navy Working Capital Fund (NWCF) Supply Management (4930.NC2A). This revolving fund was initially established by Congress. The NWCF performs inventory management functions that result in the sale of consumable and reparable items to support DoD, Federal, and non-Federal customers' war fighting weapon systems supply needs. Costs related to providing such inventory (materiel) support to customers, such as oversight/inventory management and the stocking, storing, receiving, and issuing such assets, are recouped through the application of stabilized rates.

b. Navy Working Capital Fund (NWCF), Depot Maintenance (4930.NA4A/NA4B). The NWCF is a revolving fund, an account or fund that relies on sales revenue rather than direct congressional appropriations to finance its operations. It is intended to generate adequate revenue to cover the full costs of its operations, and to finance the fund's continuing operations without FY limitation. A revolving fund is intended to operate on a break-even basis over time; that is, it neither makes a profit nor incurs a loss. The NWCF provides innovative, worldwide, depot level and related maintenance, rebuild, modification, and repairs, as necessary on DON, Federal and non-Federal customers' war fighting weapon systems to maximize the readiness and sustainability of ground combat and combat support weapon systems and equipment. The NWCF operations is located at the Marine Corps Logistics Command in Albany, GA and Barstow, CA.

c. Wildlife Conservation on Military Reservations, Navy (WCMR,N) (5095). These funds are derived from fees collected from the sale of fishing and hunting permits pursuant to approved wildlife conservation programs established in accordance with instructions issued by HQMC.

1004. Funds Distribution and Marine Corps Funds Flow Organizational Elements. Funds flow is accomplished using the funds distribution process within the accounting system and begins with HQMC P&R recording the allocated amount for all Treasury symbols and issuing OPBUDs and allotments to commanders. The Marine Corps is required to account for a wide variety of appropriations, many with unique characteristics. Fund control, financial responsibility and accountability are established by recording authorization (source) documents (Direct and Reimbursable) within the SABRS. Authorization processing for SABRS on-line data entry is facilitated through the use of Document Identifier Codes (DICs) in each step of the funds distribution process. Each DIC defines which GLaccounts and fund control file balances are updated and recorded in the GL and fund control files. Refer to SABRS Authorization Processing Manual referenced in APPENDIX C for guidance on the various DICs that have been established to process authorization and funding transactions. The funds flow hierarchy is as follows:

1. Headquarters, Marine Corps (HQMC). HQMC issues OPBUD and allotments which provide funding authority from a specific appropriation to a command to accomplish its mission. OPBUD/allotment authority is expressed in terms of a specific amount granted to incur obligations and payments in support of assigned missions and functions.
2. Major Command Recipients (MRIs). An MRI is a command that receives its funds directly from HQMC. MRIs may pass funds to Allotment Recipients (ARIs) within their command if applicable. Examples of MRIs are Commander, USMC Pacific, Commander, USMC Forces Command, Commander, Marine Corps Logistics Command (LOGCOM), and Commander, Marine Corps Combat Development Command.
3. Allotment Recipients (ARIs). An ARI is a command that receives an allotment or OPBUD from an MRI. Commander, Marine Corps Installations East and Commander, Marine Corps Installations West are examples of ARIs. MRIs are also ARIs when they pass funds to themselves. An example of an MRI that passes funds to itself as an ARI is Commander, Marine Forces Pacific.
4. Suballotment Recipients (SRIs). A SRI is a subordinate command that receives a portion of an allotment or OPBUD from an ARI. Examples of SRIs are Marine Corps Air Station (MCAS) Miramar, Marine Corps Base (MCB) Camp Pendleton, and I Marine Expeditionary Force (MEF). MRIs are also Allotment/Suballotment Recipients when they pass funds to themselves.

5. Work Center (WCI). A WCI is a subdivision of a SRI. These activities are held administratively responsible as subordinates are to superiors.

6. Budget Execution Activities (BEAs). BEAs are subdivisions of WCIs. Legal responsibility (i.e., 31 USC 1517 authority) for the proper management of the funds is retained by a SRI or WCI holder. An example of a BEA is the facilities department within a base.

7. Budget Execution Sub-Activity (BESA). BESAs are subdivisions of BEAs. BESAs are established to capture detailed identification of costs below the BEA and are the lowest organizational level to which funding is broken down in the Marine Corps. BESAs for all O&M,MC-funded activities have been standardized and are listed by applicable WCI in the SABRS Financial Codes Manual in APPENDIX C.

1005. Availability of Budgetary Resources. Prior to the creation of a requisition to obtain goods and services the Fund/Resource Manager (RM) must review the requirement to ensure it passes some basic fiscal law conditions. These conditions are: purpose, time, and amount. Funds/RMs may organize a committee consisting of appropriate stakeholders and the Comptroller to ensure compliance with the conditions. See section 1341 of reference (c) and volume 14, chapter 2, "Antideficiency Act Violations" of reference (h), for additional information and guidance.

1. Purpose. Funds may be obligated and expended only for the purposes authorized in appropriations acts or other laws (e.g., (section 1517 of reference (b))). The correct appropriation must be used to fund the requirements. The key element of satisfying the purpose condition is the "Necessary Expense Doctrine." The necessary expense doctrine comprises three basic tests to ensure the correct appropriation is being used to fund requirements. These are:

a. Logical Relationship. What was ordered makes sense under the funding type used. For example, the O&M,MC appropriation is used to fund normal training, fuel, consumable supplies, etc. PMC is used to purchase Tanks and other major military equipment.

b. Not Prohibited by Law. The purchase is allowed under the appropriation act, authorization act, or other laws.

c. Not Funded for Elsewhere. Review of the purchase request (PR) to ensure that the item is not funded for specifically in another appropriation. For example, the Military Personnel appropriation is used to fund the wages of Marines, not O&M,MC. This condition is normally a key factor in distinguishing using O&M,MC for a purchase or PMC. The current procurement threshold for funding is \$250K. However, many items that cost below this amount are still funded with procurement funds and not O&M,MC. Check with the Comptroller office on questions about the correct appropriation prior to submitting the requisition.

2. Time. This condition is satisfied by:

a. The appropriation cited on the request is still available to incur new obligations.

b. Bona Fide Need Rule. A FY appropriation may be obligated only to meet a legitimate, or *bona fide*, need arising in, or in some cases arising prior to but continuing to exist in, the FY for which the appropriation was made. Use current funds for current requirements and needs and not to fund next year or out year requirements. Additional guidance is provided below.

(1) Obligate current money only for current needs: Appropriations are available only for the needs of the current FY, and requires distinguishing current year needs from future year needs.

(2) The balance of a fixed-term appropriation "is available only for payment of expenses *properly* incurred during the period of availability or to complete contracts *properly* made within that period." See section 1502 of reference (c) for additional information and guidance.

(3) DoD Components shall determine that the goods, supplies, or services required under contracts entered into, or orders placed obligating an annual or multiple year appropriation, are intended to meet a bona fide need of the period for which funds were appropriated. Such determinations shall consider estimated current consumption, and the requirements that may be foreseen for future years based upon the procurement lead time, authorized stock levels, and authorized mobilization reserves. See volume 3, chapter 10, "Accounting Requirements for Expired and Closed Accounts" of reference (h), for additional information and guidance.

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(a) Lead-time Exception. Allows for normal production lead-time when determining the bona fide need for supplies that are not available off the shelf.

(b) Stock Level Exception. You can purchase enough supplies to maintain sufficient stock levels. "Sufficient Stock" is generally interpreted to mean not greater than 1 year's usage.

(c) Training Exception. Training that will occur in the following FY may be charged to the current FY provided the scheduling is beyond the control of the agency. This is because training tends to be nonseverable (or entire), per Government Accountability Office (GAO). Where a training obligation is incurred in one FY, the entire cost is chargeable to that year, regardless of the fact that the training may not be completed until the following year. GAO has held that even if a training class does not begin until "early in the next FY," an agency may charge funds current at the time it enters into the training obligation so long as it has a valid need for the training at that time and the delay between the obligation and the start of the training is not excessive

(4) Per the Federal Acquisition Streamlining Act (FASA) of 1994, agencies may enter into a 12-month severable service contract, using current funds to fund the entire 12-month contract. No automatic renewable option years and cannot exceed 12 months in duration.

3. Amount. May not make or authorize an obligation or expenditure that exceeds an amount available in an appropriation or fund (See sub-paragraph 1341(a)(1)(A) of reference (c)).

1006. Guidance For Administration of Appropriations After Period of Availability. The appropriation enters a 5-year expired state after an appropriation's period of availability to incur new obligations has ended. See sections 1551-1557 of reference (c) for additional information and guidance. During this 5-year period, the appropriation will maintain its FY identity and both the obligated and unobligated balances will be available for recording, adjusting, and liquidating obligations properly chargeable to that account. Also during this 5-year period, obligations for new work may not be incurred and charged to the expired account absent specific statutory authority. However, obligations may be adjusted consistent with the law and guidance herein. The paragraphs below provide general guidance for the 5-year expired period and for after the 5-year period. See volume 3, "Budget Execution - Availability and Use of Budgetary Resources" of reference (h), for more information and guidance on the administration of appropriations, period of availability, and the closing of the account.

1. During the 5-Year Period. Expired funds may generally be used for obligation adjustments, commonly referred to as upward obligation adjustments, resulting from within scope contract changes, as well as out of scope changes or other new obligations for which legal authority exists to use expired funds. All upward obligation adjustments to expired appropriations as enumerated below, executed both by contract or by reimbursement intra-governmentally, must be counted toward cumulative reporting thresholds and are subject to prior approval and notification as discussed in subparagraph 3 below. No prior approval or notification is required for the use of current funds when current funds are properly chargeable. See sections 1551-1557 of reference (c) for more information and guidance on the legal framework for the management of appropriations after their period of availability.

2. After the 5-Year Period. The remaining unobligated and unliquidated obligated balances are canceled and the appropriation is closed on September 30th of the FY after the appropriation's expiration. When an appropriation is closed, obligations and obligation adjustments that would have been properly chargeable to that closed account may be charged to current appropriations available for the same purpose if:

a. Amounts charged to the current appropriation do not exceed the unexpended balance of the proper closed appropriation (ADA limitation).

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b. Total amounts charged to the current appropriation do not exceed one percent of the current appropriation being charged.

3. For these purposes, a "current appropriation" is an appropriation provided in an appropriations act for which original budget authority remains available for new obligations. It does not include the reimbursable program.

a. Furthermore, the one percent limitation on the use of these funds is a single, cumulative limit and in no case may more than one percent of the current appropriation be used to pay valid obligations of closed accounts at the appropriation level. Allocations will specify if appropriation subdivisions by organization are permitted all or part of the one percent limit.

Chapter 2

Roles and Responsibilities

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Chapter 2

Roles and Responsibilities

2000. General. The legal and administrative responsibilities of funds are inherent at all levels of the command. This chapter outlines the financial execution duties and responsibilities of commanders, Comptrollers and Resource/Fund Managers, and the role and general responsibilities of the Defense Finance and Accounting Service (DFAS).

2001. Legal and Administrative Responsibilities. Marine Corps philosophy is based upon the principle that FM is inseparable from command, regardless of a command's specific mission. Funding and its availability are essential for commanders to perform their assigned missions. Commanders or others designated have legal and/or administrative responsibility for funds granted.

2002. Enterprise Level Management Responsibilities. Enterprise level management responsibilities are performed at the HQMC level across several departments led by the Deputy Commandants (DCs) and Deputy Directors (DDs). See below for these departments and corresponding mission statements.

1. Programs and Resources (P&R). P&R is the principal staff agency responsible for developing, defending and overseeing Marine Corps financial requirements, policies and programs in order to support the CMC in executing his responsibilities as a service chief under reference (b). The Deputy Commandant for Programs and Resources (DC P&R) serves as the principal advisor to the CMC on all financial matters and serves as CMC's principal spokesperson on USMC program and budget matters throughout the DON and the DoD.

2. Installations & Logistics (I&L). I&L shapes logistics plans and policies to sustain excellence in warfighting. The focus of effort is to increase Marine Air Ground Task Force (MAGTF) lethality by providing superior support through modernizing logistics processes, implementing proven technology and best practices, developing standards of performance, and fully integrating the supporting establishment as the fifth element of the MAGTF. The Deputy Commandant, Installations and Logistics (DC I&L) acts on behalf of the Commandant in designated matters of logistics policy and management, and coordinates logistics actions with other agencies.

a. Marine Corps Installations Command (MCICOM). MCICOM exercises command and control of Marine Corps Installations via regional commanders in order to provide oversight, direction, and coordination of installation services and to optimize support to the Operating Forces, tenants, and activities. For installations under the command and control of the Commanding General of Marine Corps Training and Education Command (TECOM), MCICOM will only provide installation support.

b. Marine Corps Logistics Command (LOGCOM). To provide worldwide, integrated logistics/supply chain and distribution management, maintenance management, and strategic prepositioning capability in support of the operating forces and other supported units to maximize their readiness and sustainability and to support enterprise and program level Total Life Cycle Management.

3. Manpower and Reserve Affairs (M&RA). Assists the Commandant by planning, directing, coordinating, and supervising both active and reserve forces. M&RA is the largest department within HQMC, and most of M&RA personnel work within the James Wesley Marsh Center on MCB Quantico.

4. Counsel for the Commandant. The mission of the Office of Counsel for the Commandant, including its field offices, is to provide comprehensive and timely legal advice and support to the Commandant, HQ staff agencies, and Marine Corps operating and supporting establishments in the areas of business and commercial law including environmental law, land use, civilian personnel law, procurement and fiscal law, government ethics, and all other matters under the cognizance of the General Counsel of the Navy.

5. Aviation (Sustainment). To assist and advise the CMC on all matters relating to Aviation.

6. Plans, Policies and Operations (PP&O). The Deputy Commandant for Plans, Policies and Operations (DC PP&O) performs a dual mission:

a. The Operations Deputy (OpsDep) for the Commandant on all Joint Chiefs of Staff (JCS) matters. Serves as the focal point for the interface between the Marine Corps (as one of the four Services) and the joint and combined activities of the JCS and the unified Commanders-in-Chief, and various allied and other foreign defense agencies.

b. Responsible for coordinating the development and execution of service plans and policies related to the structure, deployment, and employment of Marine Corps forces in general.

7. Command, Control, Communications, and Computers (C4). Plans, directs, and coordinates all staff activities relating to C4 functions, and supports the CMC in his role as a member of the JCS. As the Chief Information Officer (CIO) of the Marine Corps, provide oversight of Marine Corps Information Technology (IT) infrastructure, governance and policy of Marine Corps IT, and represents the Marine Corps at Federal DoD, Joint, and DON IT forums.

8. Marine Corps Systems Command (MARCORSYSCOM). To serve as the DON's systems command for Marine Corps ground weapon and IT system programs in order to equip and sustain Marine forces with full-spectrum, current and future expeditionary and crisis response capabilities.

9. Training and Education Command (TECOM). To develop, coordinate, resource, execute, and evaluate training and education concepts, policies, plans, and programs to ensure Marines are prepared to meet the challenges of present and future operational environments.

10. Organizational Chart for P&R. The organizational chart below (see Figure 2-1) illustrates the numerous divisions, sections, and branches that support the P&R mission holistically. Organizational charts are routinely updated by P&R staff and can be found at <https://ehqmc.usmc.mil/org/pr/mpb/admin/org/Organizational%20Chart/Forms/AllItems.aspx>

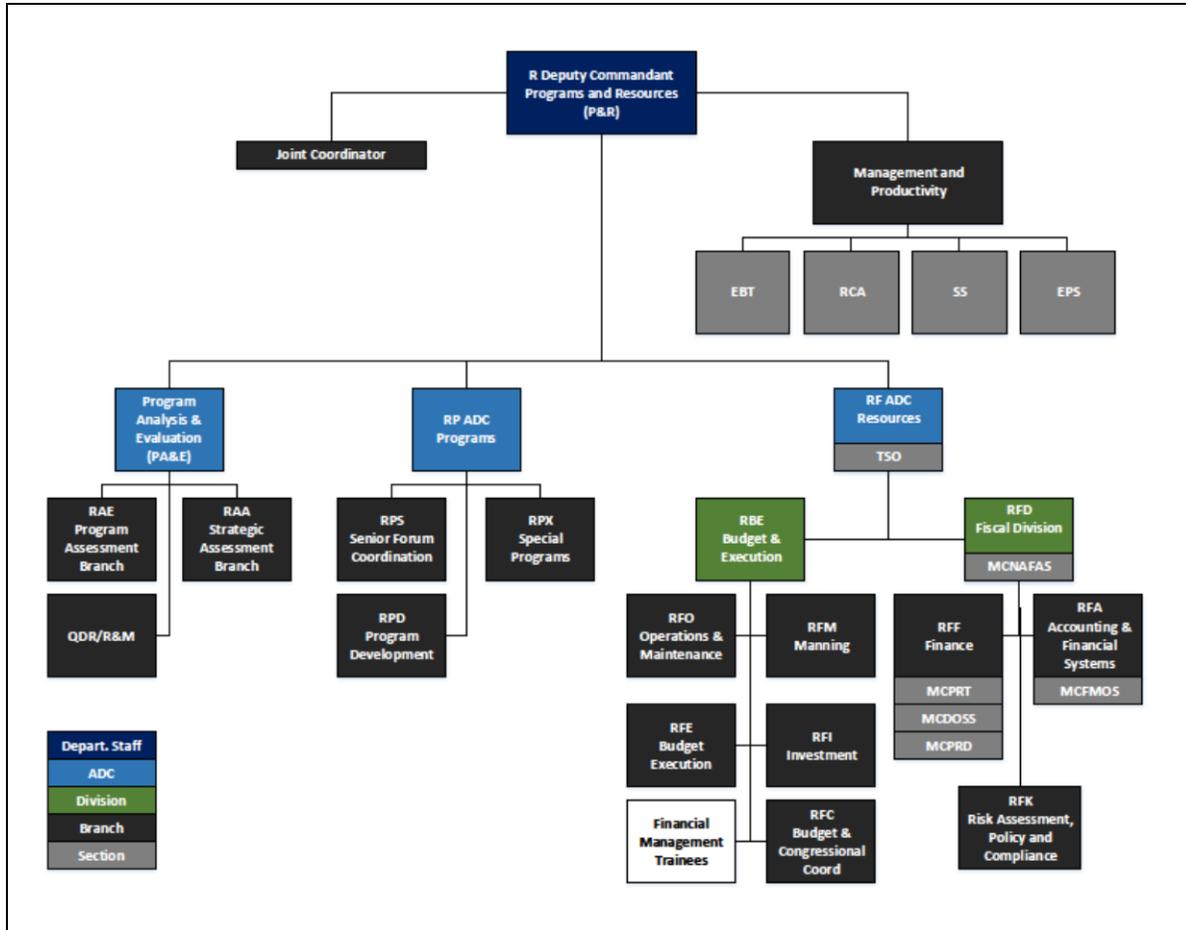


Figure 2-1.--Programs and Resources Organizational Chart.

11. The P&R entities listed below are directly tied with the purpose of this Marine Corps Order (MCO).

a. Deputy Commandant, Programs and Resources (DC P&R). P&R is the principal staff agency responsible for developing, defending and overseeing Marine Corps financial requirements, policies and programs in order to support the CMC in executing his responsibilities as a service chief under reference (b). DC P&R serves as the principal advisor to the CMC on all financial matters and serves as CMC's principal spokesperson on USMC program and budget matters throughout the DON and the DoD.

b. Management and Productivity Branch (RMP). The P&R Administration and Resource Management Division provides general administrative and security services support to the Department.

c. Requirements, Systems and Support Section (RSSS). P&R's RSSS manages all of the information resource needs for P&R. RSSS supports the strategic direction of P&R and the vision statement of the Marine Corps by cutting waste, operating efficiently and minimizing resources required to enable the overall goal of "Making Marines to win our nations battles."

d. Program Analysis and Evaluation (PA&E). PA&E will provide independent, resource informed, enterprise-wide decision support to USMC senior leadership to align DoD and USMC strategic objectives with CMC responsibilities under reference (b).

e. Resources Programs Assistant Deputy Commandant (RP ADC)

(1) Strategic Assessment Branch (RPS)

(2) Program Assessment Branch (RPA)

f. Resources Financial Assistant Deputy Commandant (RF ADC)

g. Budget and Execution Division (RBE). To optimize the allocation of limited financial resources in support of Marine Corps operations and acquisition programs by formulating the Marine Corps Program Objective Memorandum (POM) and coordinating its submission, approval, and translation into the Marine Corps budget estimate submission and President's Budget. As part of this mission, RBE coordinates service programmatic issues with the Chief of Naval Operations staff in order to articulate Marine Corps needs and positions in those shipbuilding, aviation, and expeditionary programs of high interest to the CMC. RBE also provides quality control over programmatic and financial data for use by congressional liaisons and other external agencies. When the budget is enacted, RBE is responsible for allocating resources to the major commands, monitoring execution and realigning resources as necessary.

(1) Operations and Maintenance Branch (RFO)

(2) Budget Execution (RFE)

(3) Military Personnel Branch (RFM)

(4) Investment Branch (RFI)

(5) Budget and Congressional Coordination Branch (RFC)

h. Fiscal Division (RFD)

(1) Finance Branch (RFF). To oversee, advise, or assist in all matters relating to finance (e.g., pay, travel, disbursing), finance related information systems, and the accession, training, promotion and assignment of the 34xx Marines.

(2) Accounting and Financial Systems Branch (RFA). To support warfighting excellence that is powered by accurate, timely, and relevant financial information supported and validated by strong financial statements, which ultimately results in a strong business enterprise.

(3) Risk and Compliance Branch (RFK). To promptly identify, assess, and report risks that affect operational readiness and financial objectives in addition to institutionalizing audit readiness and ensure compliance with reference (y).

2003. Commander Responsibilities. The commander is responsible for the administration of all authorizations of funds formally granted through an OPBUD, suboperating budget (SUBOPBUD) or allotment. This responsibility can be delegated in whole or part within the command. See chapter 1, section C paragraph 1203, "Financial Management" of reference (o) for additional information and guidance.

1. In those commands where the complexity of FM requires it, the CMC will authorize assignment of a Comptroller to assist the commander. The Comptroller will be a general staff officer and will have general staff cognizance over the broad area of FM to include appropriated funds.

2. In those commands not authorized a Comptroller, commanders will discharge their financial responsibilities in the most efficient manner, assigning financial functions to members of their staffs to perform as the Budget and Accounting Officer, as they desire.

3. Commanders are authorized, at their discretion, to organize a committee (e.g., Joint Acquisition Review Board (JARB)) consisting of appropriate staff officers to provide coordinated staff recommendations in financial matters. In those commands assigned a Comptroller, the Comptroller should be a member of this committee.

4. Accordingly, commanding Officers are personally responsible for any act of their own, or an act of a subordinate, which causes an over-commitment (see section 1514 of reference (c), "Administrative division of apportionments"), over-obligation, or over-expenditure of an authorization of funds (see section 1517 of reference (c), "Prohibited obligations and expenditures") and may be subjected to the penalties as set forth in the ADA (see section 1518/1519 of reference (c)). In discharging these responsibilities, commanders shall:

a. Adequately plan for the use of funds during the period of fund availability (see paragraph a of section 1502 of reference (c)).

b. Continually review commitments, obligations, and expenditures to ensure that funds are being used in the most efficient manner and only for the purpose for which appropriated (see section 1301 of reference (c), "Application").,

c. Retain flexibility to meet the unexpected or unplanned requirements.

d. Devote the command's financial resources to achieving and maintaining maximum operational readiness.

e. Maintain such controls, records, and accounts so as to ensure that commitments, obligations, and expenditures are within amounts authorized.

f. Assign Departmental Accountable Officials (DAOs), Review Officials, and Certifying Officers (COs) in writing. See volume 5, chapter 33, "Certifying Officers, Departmental Accountable Officials, and Review Officials" of reference (h), for additional information and guidance.

g. These internal control requirements apply to all appropriations and funds provided to the command by apportionments, allocations, allotments, reimbursable orders or other means. See reference (t), "MCMIC Program," paragraph 4(a)(1)(d) and 4(e) for additional information and guidance.

2004. Comptroller Functions and Responsibilities. Comptroller is defined as the Senior Financial Manager and advisor to the Service Chief, Commander or Commanding Officer. Financial information is monitored and coordinated by the Comptroller and his/her staff in order to provide the commanders with factual data essential for effective management control of the command.

1. In addition to the responsibilities outlined in this order, Comptrollers are also responsible for complying with the following applicable orders:

a. SECNAVINST 7000.27B, "Comptroller Organizations" (reference(l))

b. NAVMC 3500.69A w/ Ch 1, FM Training and Readiness T&R Manual (reference (n))

c. Marine Corps Manual (MCM) W/CH 1-3 (reference (o))

d. MCO 7540.2E Resource Evaluation and Analysis (REA) Function (reference (u))

e. Subsequent related memorandums, interpretations, and instructions.

2. The following key billets are established to assist the Comptroller in the performance of his/her duties to the commander. Comptroller may assign other billets by process areas and/or accounting functional areas, if so desired (e.g., Reimbursable, Travel, Contracts, Negative Unliquidated Obligation (NULO), DNR, etc.). Properly staffed Comptroller offices will follow the following organizational structure shown in Figure 2-2. Due to operational requirements or Table of Organization (TO) limitations, those performing Comptroller functions will carry out the duties of the Budget Officer, Comptroller Chief, and Accounting Chief. These billets will be able to absorb key duties and billets not staffed (e.g., Comptroller; Research, Evaluation, and Analysis (REA) officer; and Financial Management Resource Officer (FMRO)).

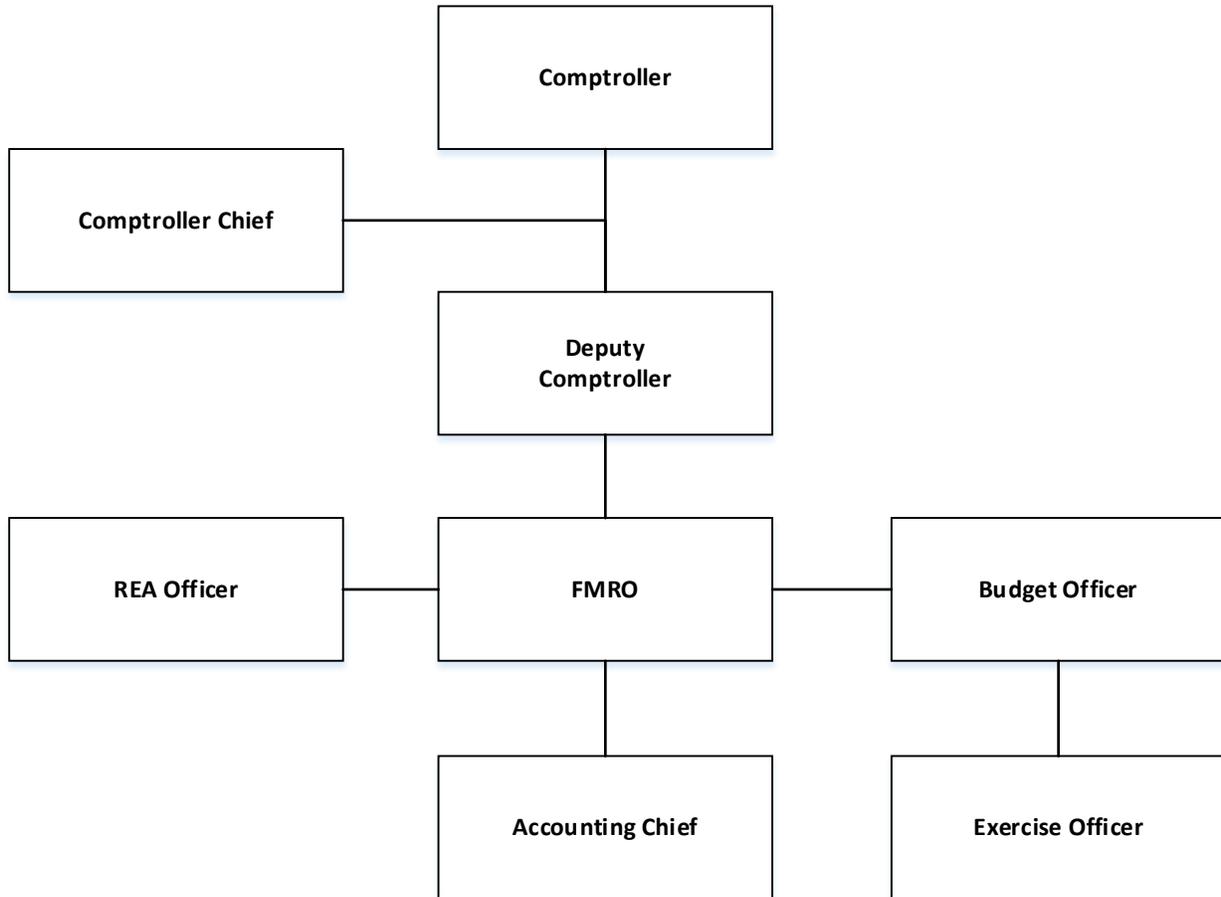


Figure 2-2.--Comptroller Organizational Chart.

3. The accompanying duties listed below each billet include, but are not limited to the following:

a. Comptroller. Responsible for all duties outlined in this Order, and have cognizance over any FM functions of the command.

b. Deputy Comptroller. Responsible for the operations for the office. To assist the daily operations of the Comptroller Office, in addition to any special projects that the Comptroller may see fit.

c. Budget Officer. Formulates and supervises the execution of policies and procedures pertaining to the FM of appropriated funds in the operating forces and bases, stations, and installations. Some of the functional areas include: create a budget and initial phase plan, conduct mid-year reviews, POM submissions, the Planning, Programming, Budgeting, and Execution

(PPBE) cycle, advise commander on fiscal law, manage official representation funds (ORF), monitor financial plan, and budget/execute/monitor for civilian labor. In addition to the Comptroller duties listed below, see chapter 5, "Military Occupational Specialty (MOS) 3404 Individual Events" of reference (n), for additional information and guidance.

(1) Maintaining classification of programs administered and their objectives and a current inventory of budget plans and program schedules.

(2) Ensuring budget authorizations and allotments are passed to subordinate commands in a timely manner.

(3) Ensuring proper use of appropriations by purpose, time, and amount to include meeting the criteria of bona-fide need.

d. Exercise Officer. Performs the duties of the Budget Officer only as they pertain to contingency operations and command level training events. Some of the functional areas include: develop initial funding phase plan, manage command funding for Training and Exercise Employment Plan (TEEP) events, prepare contingency financial operations plan, identify sources of funding for contingencies (to include HQMC or other entity reimbursable requirements), support the procurement process, manage disbursements for the Commander's Emergency Response Program (CERP). In addition to the Comptroller duty listed below, see chapter 5, "MOS 3404 Individual Events" of reference (n), for additional information and guidance.

(1) Performing applicable budget formulation, execution, and review functions for future, current, and expired FYs.

e. Research, Evaluation, and Analysis (REA) Officer. Provides commanders with a valuable resource management tools to effectively and efficiently ensure adequate internal management controls are in place. In addition to the Comptroller duties listed below, see Marine Corps Managers' Internal Control (MCMIC) Program, for additional information and guidance.

(1) A process for validating and testing the accuracy of financial coding, including coding specifically affecting contingency reporting, such as the Marine Corps Cost of War.

(2) Promoting economy and efficiency in the performance of assigned programs.

(3) Conducting evaluations and analyses of Fund/RMs areas to assist in the prompt detection and correction of problems and the resolution of unsatisfactory conditions arising in connection with established financial procedures, practices, records and accounting system problems and deficiencies.

(4) Ensuring Comptrollers, Fund/RMs, and their personnel comply with all required training, to include Fiscal Law.

(5) Establishing and maintaining ICOFR processes and procedures.

(6) Ensuring that any military member or civilian employee who fails to act when required, or improperly may be found to be responsible for violation of an ADA.

f. Financial Management Resource Officer (FMRO). Assists with the duties associated with Fund/RM oversight by providing critical accounting and systems expertise to support the command and comptroller. Some of the functional areas include: supervision of the managerial accounting section; collaboration with the Comptroller Chief in relation to Fund Manager training, assistance, and inspection; Coordination of Tri-Annual Reviews (TARs); performing root cause analysis; reviewing and correcting transactions for abnormal conditions (e.g., NULO, Outstanding Travel Advance (OTA), Outstanding Travel Order (OTO)); problem disbursement correction and analysis; SABRS table maintenance; maintaining a working knowledge of and serving as the FM expert for SABRS; identifying and reporting financial system problems and system process improvement initiatives; validating accounting records for accuracy; performing trend analysis utilizing performance metrics and business process reengineering for effective and efficient use of resources; tracking accounting system changes and interfaces; serving as a liaison with DFAS, Defense Logistics Agency (DLA), Supply Management Unit (SMU), and other business feeder system stakeholders (e.g., DON, Defense Information Systems Agency (DISA)); maintaining a working knowledge of SABRS Management Analysis Retrieval Tools System (SMARTS); and mastering appropriate accounting duties performed in order to understand support computer systems and their applications. In addition to the Comptroller duties listed below, see chapter 6, "MOS 3408 Individual Events" of reference (n), for additional information and guidance.

(1) Conducting a supervisory review, of all officials involved in authorizing, approving, and entering transactions in the accounting system and feeder systems.

(2) Providing technical guidance and direction on financial matters throughout the organization as a staff service to the commander.

(3) Providing guidance to Resource/Fund Managers responsible for the administration of travel payments (i.e., advances and settlements).

(4) Maintaining Customer Service Representative (CSR) support for the Defense Civilian Payroll System (DCPS).

(5) Maintaining oversight of transactions posted in the accounting system to ensure validity and accuracy of postings. These evaluations should include the proper usage of funds, the coding structures that were used, the validity of obligations, and the timely posting of financial information.

(6) Acting as a liaison with the DFAS on all accounting issues.

(7) Meeting the requirements of TAR and Year-End Certification.

g. Comptroller Chief. Performs an overall management function for the Comptroller, and collaborates with all functional areas (e.g., REA, Budget, Accounting, etc.) in order to analyze, forecast and report the status of the office and the command in relation to its mission. In accordance with established laws, guidance and procedures within the command, the Comptroller Chief provides technical guidance and direction by facilitating accountability and reliable performance between internal entities (e.g., organic assets) and external entities (e.g., G-Shops, adjacent elements, and higher HQ), to include conducting evaluation, analysis and training where necessary. Administratively, the Comptroller Chief is responsible for all personnel and training management, billet structure, and operational structure within the Comptroller office. Some of the functional areas include: Collaboration with FMRO in relation to Fund Manager training, assistance, and inspection; Coordination of Tri-Annual Reviews (TARs); Reviewing and correcting abnormal transactions; maintaining a working knowledge of SABRS; performing trend analysis utilizing

performance metrics; supporting system process improvement initiatives for effective and efficient use of resources; serving as a liaison with DFAS, DLA, SMU and other business feeder system stakeholders (e.g., DON, DISA); maintaining a working knowledge SMARTS; and mastering appropriate accounting duties performed in order to understand and support computer systems and their applications. In addition to the Comptroller duties listed below, see chapter 5, "MOS 3408 Individual Events" and chapter 8, "MOS 3451 Individual Events" of reference (n), for additional information and guidance.

(1) Providing technical guidance and direction of financial matters throughout the organization as a staff service to the commander.

(2) Conducting evaluations and analyses of Fund/RM areas to assist in the prompt detection and correction of problems and the resolution of unsatisfactory conditions arising in connection with established financial procedures, practices, records and accounting system problems and deficiencies.

(3) Ensuring proper records and source documents supporting fund execution are maintained by appropriate activities such as Fund/RMs, in accordance with volume 1, chapter 9, "Financial Records Retention" and volume 3, chapter 8, "Standards for Recording and Reviewing Commitments and Obligations" of reference (h).

(4) Training Resource/Fund Managers in the proper utilization of the accounting system.

(5) Establishing and maintaining ICOFR processes and procedures.

(6) Ensuring that any military member or civilian employee who fails to act when required, or improperly may be found to be responsible for violation of an ADA.

h. Accounting Chief. Assists the FMRO with the duties associated with Fund Manager/RM oversight. Liaise with Fund Managers to assist with daily FM operations by ensuring that all command Fund Managers understand their daily functions and responsibilities associated with the use of SABRS, SMARTS, and INFOPAC, maintenance of source documents, and proper use of business feeder systems. Some of the functional areas include: performing root cause analysis for abnormal condition (e.g., NULO,

OTA, OTO) transactions that are not properly processing through the transaction cycle (i.e., commitment - obligation - expense - liquidation); supervising the managerial accounting section (Fund Manager training, assistance, and inspection; coordinating TARs, reviewing and correcting abnormal transactions, performing problem disbursement correction and analysis and SABRS table maintenance); maintaining a working knowledge of SABRS; identifying and reporting financial system problems; validating accounting records for accuracy; performing trend analysis utilizing performance metrics and business process reengineering for effective and efficient use of resources; serving as liaison on behalf of FMRO with DFAS, SMU, and other business feeder system stakeholders (e.g., DON, DISA); maintaining a working knowledge of SMARTS; and mastering appropriate accounting duties performed in order to understand support computer systems and their applications. In addition to the Comptroller duties listed below, see chapter 8, "MOS 3451 Individual Events" of reference (n).

(1) Developing and maintaining source documentation to support transactions in accordance with reference (h) on TAR, and the audit documentation requirements found in the Source Document Matrix in APPENDIX D.

(2) Providing guidance to Resource/Fund Managers responsible for the administration of travel payments (i.e., advances and settlements).

(3) Ensuring monies owed (i.e., over payments, travel advances, etc.) the U.S. government and the Marine Corps are documented, tracked and collected.

(4) Maintaining oversight of transactions posted in the accounting system to ensure validity and accuracy of postings. These evaluations should include the proper usage of funds, the coding structures that were used, the validity of obligations, and the timely posting of financial information.

(5) Researching, reviewing and correction of aged and abnormal transactions (e.g., "Deadly Sins"). Refer to the SABRS Abnormal and Aged Reports Manual (Deadly Sins) in APPENDIX C for additional information and guidance.

2005. Resource Manager (RM) and Fund Manager Duties and Responsibilities. Resource/Fund Managers are defined as those departments, battalions, regiments, staff sections, etc. that receive a funding authorization from commanders. Responsibility for oversight of FM belongs to the Comptroller. In those commands authorized to have a Comptroller, all budget and accounting functions shall be performed under the Comptroller staff cognizance.

1. Resource/Fund Managers must be appointed, in writing, by the commander as recommended by the Comptroller. Appointment letters will include the responsibilities and duties of fund management. Resource/Fund Managers (i.e., as referenced in reference (q)) or their designee(s) are responsible for, but not limited to, the following duties and responsibilities:

a. Compiling and executing the budget in accordance with the financial plan for the current FY.

b. Monitoring the execution of the financial plan for all FYs available for obligation and five additional years thereafter.

c. Preparing source documents.

d. Recording accounting transactions into the accounting system via appropriate business feeder systems.

e. Ensure requirements/transactions authorized/submitted by RMs, Responsible Officers, etc., are reconciled with the accounting system, appropriate business feeder systems, and with source documents on a cyclic basis (i.e., daily transaction journal report).

f. Maintaining financial records and source documents for six years, three months in accordance with volume 3, chapter 8, "Standards for Recording and Reviewing Commitments and Obligations" of reference (h), to sustain audit readiness goals.

g. Identifying and providing information (i.e., source documentation) to the Comptroller on Unmatched Disbursements (UMDs) and NULOs on error and exception listings to initiate appropriate corrective action.

h. Conducting Unliquidated Obligations (ULOs) and OTOs validations, with appropriate commented status on a monthly basis.

i. Maximize the usage of business feeder systems to enhance financial accuracy and increase business efficiency.

2006. Defense Finance and Accounting Service (DFAS). DFAS is the official accounting firm for the DoD. DFAS has functional responsibility for DoD finance and accounting policies, procedures, standards, systems, and operations. Each service is provided finance and accounting support through a primary service center of DFAS. The Marine Corps' primary service center is located in Cleveland, Ohio.

1. DFAS is responsible for the official reporting of accounting information affecting the Marine Corps. DFAS is tasked with: processing and posting liquidations or payments that affect Marine Corps appropriations and granted allotments, scheduling and running cycles, correcting system problems, and assisting Marine Corps commands in resolving financial problems and issues.

2. SABRS is the official accounting system for the Marine Corps and was designed to meet fiduciary standards established by the GAO, OMB, Treasury, and the DoD. SABRS accounts for and reports on all Marine Corps funds throughout the life of the appropriation. Normally, this will include the year or years authorized to incur new obligations and the five expired years to complete receipt and expenditures on established undelivered orders.

3. The information compiled, processed, maintained and reported by DFAS through their official accounting records and reports belongs to the Marine Corps, and the Marine Corps is responsible for ensuring the accuracy and reliability of the data therein contained.

4. For further information on DFAS responsibilities, refer to the ASN (FM&C) DFAS Site Support Division (FMO-D).

Chapter 3

Recording of Transactions

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Chapter 3

Recording of Transactions

3000. General. Accounting is the process of recording financial events, posting the event amounts to appropriate GL, and producing financial reports that provide internal and external users relevant and useful information on the financial position of an entity. This chapter discusses the Financial Transaction Cycle, the Marine Corps financial system, and the Transaction Recording Process including key data attributes required for GL posting. The SABRS Customer Handbook referenced in APPENDIX C provides additional information on SABRS processing.

3001. Financial Transaction Cycle. All financial events (transactions) processed in the accounting system enter through a four-phase process called the transaction cycle. These four steps (Figure 3-1) are referred to as: commitment, obligation, expense and liquidation, and are initiated as each step in the procurement cycle is completed. A fifth step, initiation, is sometimes used prior to a commitment.



Figure 3-1.--Financial Transaction Cycle.

1. Financial Transaction Cycle.

a. Initiation. Administrative reservations of funds are based on procurement directives or equivalent instruments, which authorize preliminary negotiations looking toward the creation of obligations but provide for recourse to the official responsible for administrative control of funds prior to incurrence of the obligations. The term refers also to the authorization action. Initiations should be used in conjunction with Continuing Appropriations Resolutions (CAR) or Continuing Appropriations Acts (CAA) only, as opposed to simply being used to meet a command's basic funding gaps between months and quarters.

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b. Commitment. A firm administrative reservation of funds, based upon firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds. The effect of entering into a commitment and the recording of that commitment on the records of the allotment is to reserve funds for future obligations and is not a legally binding action. A commitment is subject to cancellation by the approving authority to the extent that it is not already obligated.

c. Obligation. An obligation is a firm, legally binding agreement between parties for the acquisition of goods or services. This phase is important in that when an official document describing a financial transaction exists, the government is legally and contractually liable for the amount shown on the source document. Once funds are obligated, the official unobligated available balance of the Fund/RM's account is decreased. Commands creating obligations in excess of authorizations could cause a violation of section 1517 of reference (c) at the level where the funding limitation is held. An obligation may be de-obligated when both parties agree and supporting documentation is provided to update the accounting system.

d. Expense. An expense occurs when material and services ordered are received and accepted by a designated authorized receiving point. The expense amount creates the accounts payable amount in the accounting system and controls the amount billed for reimbursable transactions.

e. Liquidation. The payment for goods or services that were ordered and received. Liquidations or payments are made after the finance officer receives an invoice from a vendor or government agency requesting payment.

2. The transaction cycle is directly related to the procurement process. In most cases, the purchase of goods and services follows the same process: order, receipt, and payment. Once a requisition form is generated and approved, an official accounting record is established in the accounting system citing the document number of the requisitioner and other pertinent information. As the procurement process continues, additional government forms are generated. These forms represent movement

along the procurement process. The initial accounting record is then amended to reflect the current status of the order.

3. All transactions are processed through the same phases; however, some transactions can be processed through combined phases. For example, when a local procurement is made via credit card and the items are receipted for at the time of purchase, the transaction will be recorded into the accounting system as a simultaneous commitment, obligation, and expense.

3002. The Standard Accounting, Budgeting, and Reporting System (SABRS). SABRS is the Marine Corps financial system, and it was designed to record and report financial information to meet both proprietary and budgetary accounting requirements and provide an accounting and reporting system for the execution of received appropriations by the Marine Corps. SABRS is used to record and report the financial impact of source transactions that originate from various responsible officials via various feeder systems, in order to obtain goods and services required to support assigned unit and command missions. APPENDIX C and D of this Order reference extensive resources covering the topics of this chapter, and must be the first point of reference for further research prior to contacting higher echelons for guidance.

1. Source Transactions. There are three sources of transaction that are entered in SABRS: feeder systems, manual entry, and SABRS-generated transactions. Although the majority of transactions in SABRS originate in feeder systems, SABRS will automatically generate transactions under specific circumstances. These SABRS-generated transactions are referred to as "auto transactions." The SABRS Auto Transactions Manual referenced in APPENDIX C provides additional information.

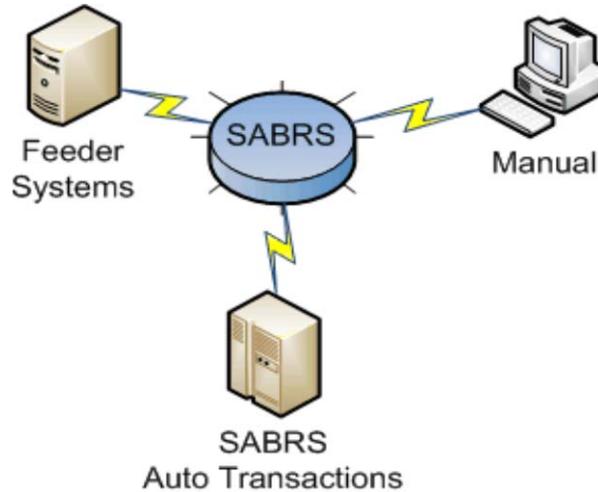


Figure 3-2.--SABRS Source Transactions.

2. Feeder Systems. The Marine Corps maximizes the use of approved business feeder systems to create requirements for goods and services. These systems are interfaced with SABRS and allow for an electronic transfer of information. The majority of source transactions recorded in SABRS actually originate in various external systems that are used to process the requests/orders for goods and services. Data is entered once by the originator of the requirement and each successive step of the transaction cycle only requires additional information to allow the transaction to process. This saves time and is more accurate for posting of financial information and obtaining the requested goods and services. Examples of these systems are the Defense Travel System (DTS) and Purchase Request Builder (PR Builder). A comprehensive list and detailed descriptions of the business feeder systems can be found in the SABRS Feeder Systems Manual referenced in APPENDIX C.

3. SABRS Tables. SABRS is a table-driven system and all primary functions, such as access, transaction processing, and reports inquiry, are controlled by tables. Each table contains different financial attributes that allow feeders systems to post information into the accounting system. The table structures are divided into three functional areas: System Tables, Central Tables, and Local Tables. Additional information on SABRS tables can be found in the SABRS Tables Manual referenced in APPENDIX C.

a. System Tables. Are those tables that are required to control the posting of transactions in SABRS by applicable files, GLs, etc., and ensure that the system functions correctly. These tables are managed primarily by DFAS personnel for additions, deletions, and changes. These tables are not available to users for update or change; however, users are allowed to view the information contained in them. Some examples are: the Funds Control Spend File, the GL File, and the Active File.

b. Central Tables. Are those tables that are controlled at the HQMC level. The information contained in these tables is applicable across the entire Marine Corps and provides for consistency of data attributes. Some examples are the Common Interface File (CIF) Table (Table 302), the Activity Address Table (Table 208), and the Transportation Account Code (TAC) Table (Table 315).

c. Local Tables. Are those tables that the field level activities can add, change, and delete entries. These tables provide the field level activities the flexibility to financially structure their commands, create code structures so as to consolidate budget execution, and control access to specific functions so as to ensure separation of duties. Some examples of these are the User Default Table (Table 224) and the Material and Services Direct Support Stock Control Data Elements Table (Table 0F2).

d. There are additional Local and Central Tables that are situational and may require loads to support transaction and information processing for the command. Ensure that you follow the appropriate guidance contained in the appendices, or via the HQMC P&R RFA, Systems Integration Data Integrity (SIDI) SharePoint site to request edits to these tables.

3003. Transaction Recording Process

1. The transaction recording process is the process whereby official accounting records are created and recorded in the accounting system. All entries should be recorded in the accounting system promptly and no later than *10 calendar days* from receipt of the source document that accurately reflects the transaction cycle stage of each unique document number (i.e., commitment, obligation, expense, liquidation, or a combination thereof). The basis of the transaction recording process is supported by various common source documents discussed in chapter 4.

2. Transaction data is stored in files within SABRS. Data is written to various files based off of defined criteria contained in the transaction. These files are used to collect detail transaction information, fund execution information, and GL information required to generate financial statements for the Marine Corps. See the SABRS File Manual referenced in APPENDIX C for additional information.

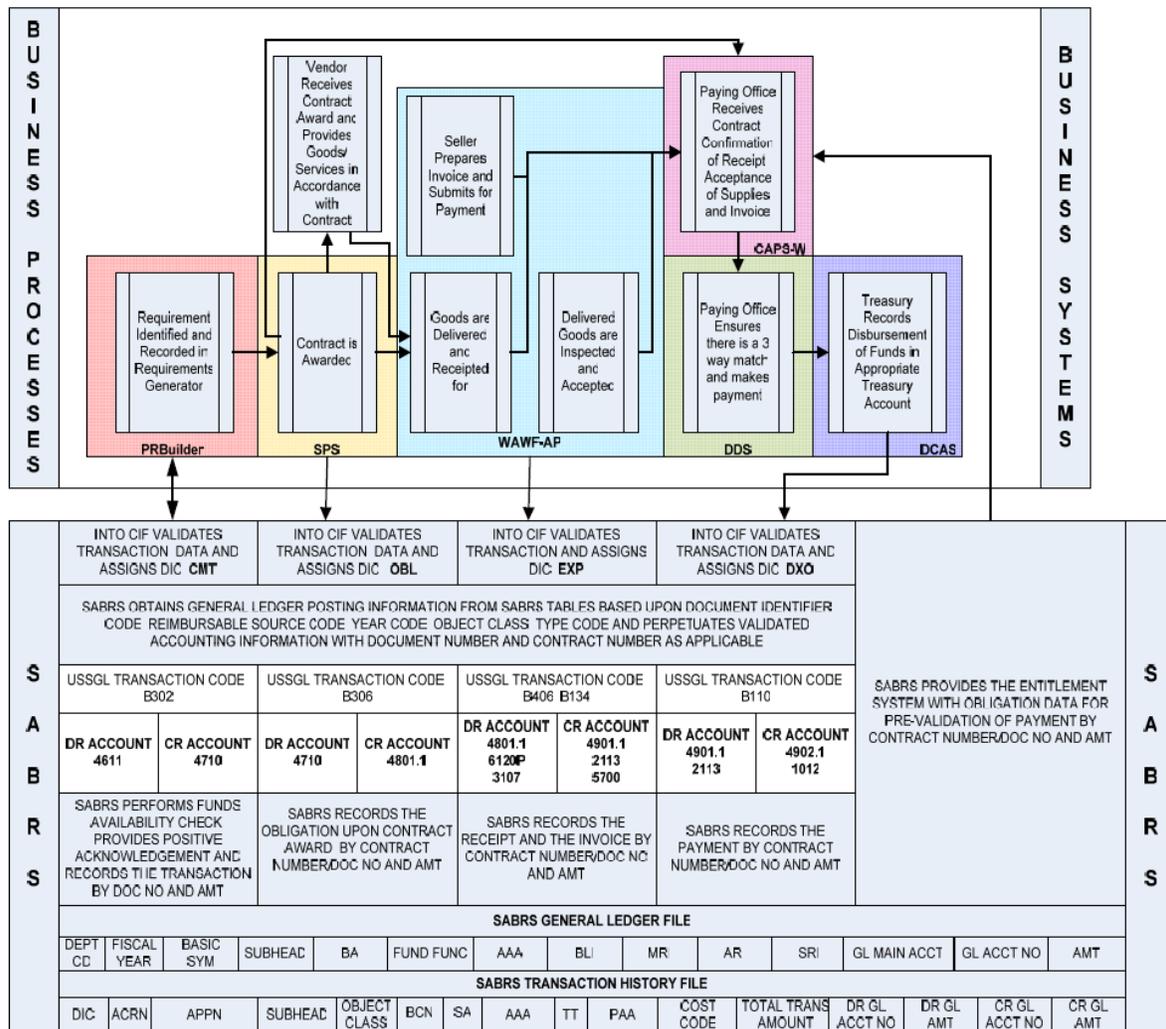


Figure 3-3.--Transaction Recording Process.

3. SABRS transactions and GL postings are driven by the DIC used in SABRS to record the financial transaction. DICs drive proprietary account transactions (impacts the balance sheet), budgetary accounts (impacts the Statement of Budgetary Resources (SBR)), or both. SABRS Central Table 300, the Spending GL Accounting Table, is used to interpret the transaction being posted and the affected GL accounts.

3004. SABRS System Generated Cycle Reports.

1. After each accounting cycle, the accounting system produces several key reports that are essential for funds control and source document reconciliation. INFOPAC is one tool used for viewing reports electronically and producing the reports on paper, as well as allowing the user to organize and manipulate report data based on their requirements. For additional information see the SABRS Customer Handbook referenced in APPENDIX C.

2. SMARTS is the official reporting system for the Marine Corps. ReportNet is zero-footprint, browser-based software used for SMARTS. After the accounting cycles are completed, the data is transmitted via a virtual private network, and the databases are updated daily.

3. Most of the reports found in INFOPAC can be found in SMARTS. These official reports are produced utilizing information from both the transaction and summary files of the accounting system and represent manual and interfaced input.

3005. SABRS Financial Codes. Financial codes serve two major purposes. First, they are used to uniquely identify a specific order or requisition. Second, they provide meaning to the execution amounts recorded in SABRS that identify what type of funds were used, which command executed funds, and what purpose or program fund execution supported. For cost and execution information to have any relevance to leadership and program managers (PMs), the same codes that identify purpose must be used consistently by all commands supporting a specific program.

3006. Financial Code Hierarchy. All transactions entered into SABRS contain financial codes that provide data for execution identification that reflect the type of funds executed, what command executed them, and the purpose for the executed funds.

1. The hierarchy of financial codes, from highest level to lowest, is found in Table 3-1 below. Note that the financial codes Special Interest Code (SIC), Marine Corps Programming Code (MCPC), Object Class Code (OCC), Sub-Object Class Code (SOCC), and Cost Account Code (CAC) are subordinate to level 5, but are not further organized by level. SOCC is subordinate to OCC however.

LEVEL	FINANCIAL CODES
1	Appropriation Symbol (APPN)
2	Budget Activity (BA) (Subhead link O&M appropriation)
3	Budget Sub-Activity (BSA)
4	Budget Line Item (BLI) (Subhead link PMC appropriation)
5	Program Element Number (PEN)
-	Special Interest Code (SIC)
-	Marine Corps Programming Code (MCPC)
-	Object Class Code (OCC)
-	Sub-Object Class Code (SOCC)
-	Cost Account Code (CAC)

Table 3-1.--Financial Codes Hierarchy.

2. The hierarchy of organization codes, from highest level to lowest, is:

LEVEL	ORGANIZATION CODES
1	Major Command Recipient Identifier (MRI)
2	Allotment Recipient Identifier (ARI)
3	Suballotment Recipient Identifier (SRI)
4	Work Center Identifier (WCI)
5	Budget Execution Activity (BEA)
6	Budget Execution Sub-Activity (BESA)

Table 3-2.--Organization Codes Hierarchy.

3. The above codes form the basis for cost collection and categorization of all financial transactions in SABRS. They identify what funds were executed (i.e., APPN, BA, BSA, BLI, and PEN), what command and element executed funds (i.e., MRI, ARI, SRI, WCI, BEA, and BESA), and what purpose funds were executed (i.e., SIC, MCPC, OCC, SOCC, and CAC).

4. These codes are either directly entered with each source transaction or associated through various tables. For example, when the Fund Code (FC) cited on a source transaction is entered into SABRS, the appropriate APPN, BLI, and PEN are associated in SABRS with the transaction.

3007. Document Numbers. Document numbers are unique identifiers that track source documents (e.g., travel orders, PRs, mechanized supply purchases) for recording, tracking, and management purposes throughout the transaction cycle. Fund Managers/RMs and Responsible Officers are responsible for properly assigning non-system generated document numbers to request source documents. Fund Managers are ultimately responsible for source document number management and records retention/storage for supply chain as well as FM purposes. The two types of document numbers used are: Standard Document Number (SDN) and the Military Standard Requisitioning and Issue Procedures (MILSTRIP) document number. Although a Procurement Instrument Identification Number (PIIN) is not a type of document number, it is tied to a SDN when a contract is awarded.

1. Standard Document Number (SDN). The SDN is a 15-position, alphanumeric code used for all transactions that are non-mechanized supply purchases (i.e., not governed by MILSTRIP procedures). The SDN is constructed as follows:

POSITION	CONTENT
1-6	Activity Address Code (AAC) of requesting/ issuing activity preceded by service designator "M" for Marine Corps
7-8	Last two digits of the FY in which the document was created
9-10	Document Type Code (DTC)(See the SABRS Financial Codes Manual referenced in APPENDIX C for a complete list).
11-15	5-digit Serial Number (See note below.)

Table 3-3.--SDN Construction.

An example of an SDN is M0002715RC00001, where M00027 is the AAC that identifies HQMC, the 15 identifies FY 2015, RC is the DTC that identifies a request for contractual action, and the 00001 represents the serial number.

a. Document Type Codes (DTCs) for SDNs. DTCs are two-digit codes used in construction of the SDN. Proper assignment of the DTC within the SDN by the Fund Manager/RM (Fund Holder) is critical to the creation of requests to obtain goods and services or to issue fund authorizations. Refer to the DTC Matrix referenced in APPENDIX D for more information.

b. The serial number is locally assigned to distinguish individual source documents. The serial number may be created using both alpha and numeric characters. Serial numbers assigned when creating SDNs cannot be repeated during the FY for the same AAC and DTC. Comptrollers will provide guidance to Resource/Fund Managers on assigning SDNs, to include specific guidance on serial number assignments. Further, Comptrollers will provide guidance to Resource/Fund Managers on creating document number logs (i.e., spreadsheet, database, log book) to assist in maintaining control over assignment of SDNs to source documents during the FY. The purpose of these controls is to ensure that SDNs are unique and not assigned to more than one source document during the FY. Under the Standard Financial Information Structure (SFIS), the unique SDN becomes the Demand Unique Identifier (DUID) for the source document. Paragraph 03010 gives a detailed description of the SFIS and its unique identifiers.

2. MILSTRIP Document Number. The MILSTRIP document number is a 14-position, alphanumeric code used for all requisitions processed through a government source of supply. The MILSTRIP document number is constructed as follows:

POSITION	CONTENT
1-6	AAC of requisitioning activity preceded by a service designator "M" for Marine Corps
7-10	Julian Date
11-14	4-digit Serial Number, locally assigned to distinguish individual source documents (See 5001.1.)

Table 3-4.--MILSTRIP Construction.

An example of a MILSTRIP document number is M0002750420001, where M00027 is the AAC that identifies HQMC, the 6042 identifies a 2015 calendar year and the Julian date of 042 (11 February), and the 0001 represents the serial number.

3. Procurement Instrument Identification Number (PIIN). The PIIN is a 13-position alphanumeric code used by the contract-issuing activity to identify the specific procurement action. The PIIN is assigned to the original SDN record used to request the procurement action when obligated in SABRS. The PIIN is added as an additional element of the DUID under SFIS. An additional element associated with the PIIN is the Supplementary Procurement Instrument Identification Number (SPIIN). The SPIIN is a four-position code used to identify the call or order number for Blanket Purchase Agreements (BPAs), Indefinite Delivery Contracts, and Basic Ordering Agreements. The construction of the PIIN and SPIIN is as follows:

POSITION	CONTENT
1-6	Agency and contracting office issuing the contract/procurement instrument
7-8	Last two digits of the FY in which the document was created
9	Type of procurement instrument (See note below)
10-13	Serial number assigned by the contracting office
14-17	A SPIIN will be used if position 9 is coded with an "A", "G", "H", or, in some cases a "D"

Table 3-5.--PIIN Construction.

An example of a PIIN is M00027-15-A-2580/0001, where the M00027 identifies HQMC contracting office, the 15 identifies FY 2015, the "A" identifies a BPA, the 2580 identifies the contract serial number, and the 0001 represents the SPIIN which is the first order against this BPA.

Position 9 identifies the type of instrument issued. POS. 9 INDICATOR	TYPE OF PROCUREMENT INSTRUMENT
A	BPA
B	Invitation for bids
C	Contracts of all types except: indefinite delivery contracts, facilities contracts, sales contracts, and contracts placed with or through other government departments or agencies or against contracts placed by such departments or agencies outside the DoD
D	Indefinite delivery contracts
E	Facilities contracts
F	Contracting actions placed with or through other government departments or agencies or against contracts placed by such departments or agencies outside the DoD (e.g., National Industries of the Blind, National Industries for the Severely Handicapped, and Federal Prison Industries)
G	Basic Ordering Agreements
H	Agreements, including basic agreements and loan agreement, but excluding Basic Purchasing Agreements, Basic Ordering Agreements, and leases
K	Short form research contract
L	Lease Agreement
M	Purchase order - manual (W is assigned if the numbering capacity of M is exhausted during the FY)
N	Notice of intent to purchase
P	Purchase order - automated (V is assigned if the numbering capacity of P is exhausted during the FY)
Q	Request for quotation, manual
R	Request for proposal

Position 9 identifies the type of instrument issued. POS. 9 INDICATOR	TYPE OF PROCUREMENT INSTRUMENT
S	Sales contract
T	Request for quotation, automated (U is assigned if the numbering capacity of T is exhausted during the FY)

Table 3-6.--Position 9 Indicator.

3008. Accounting Classification Code (ACC). The ACC, commonly referred to as the Line of Accounting (LOA), identifies which command is executing funds, what appropriation is being executed, what entity performs the accounting function, and other special interest information. This code will be eventually replaced under SFIS with a combination of the Allocation Unique Identifier (AUID), Organization Unique Identifier (OUID), and DUID. The ACC is comprised of ten elements as provided in the following example:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ACRN	APPN	SH	OC	BCN	SA	AAA	TT	PAA	CC
AA	1751106	BSS1	250	67026		067443	2D	000000	02715RC00001

Table 3-7.--LOA Example.

1. Accounting Classification Reference Number (ACRN). The ACRN is a two-position, alphanumeric code (excluding alpha characters I, O, and FR (reserved for freight or transportation charges)) used by some financial and disbursing systems as a short key to identify the remaining elements of the ACC. The first LOA classification information reflected on a source document will normally cite an ACRN of AA. If more than one accounting classification is cited on the source document, these lines will be identified with additional ACRNs of AB, AC, etc.

2. Appropriation Symbol (APPN). The APPN is a seven-position, alphanumeric code assigned by the Treasury to uniquely identify a congressionally approved appropriation that is being charged by the source transaction. The APPN is comprised of a two-digit department code (e.g., 17 represents DON), a one-digit FY (e.g.,

6 represents FY 2006), and a four-digit Treasury symbol (e.g., 1106 represents O&M,MC).

3. Subhead. The subhead is a four-position alphanumeric code that represents the administering office and the budget program that executed the funds. The subhead identifies charges and credits made to the first level of an appropriation. Depending on the appropriation, the first two characters of the subhead designate the administering office and are derived from the last two digits of the major command Unit Identification Code (UIC)(e.g., 27 is the administering office code for the Marine Corps derived from HQ UIC of 00027). The third digit of the subhead relates to the BA specific to the appropriation under which the subhead is associated. The last position is normally zero. A majority of the appropriation subheads are now the same as the four-digit BLI. An example for O&M would be BSS1 which is base support and for PMC would be 4650 which is radar systems.

4. Object Class Code (OCC). The OCC is a three-position code that defines the nature of the services or materials purchased. The OCC is defined by the section 83 of reference (x), and referenced in volume 1, appendix A, "Object Classification (OC)" of reference (h). Examples are 210 (i.e., travel), 250 (i.e., contract services), and 260 (i.e., supplies). The SABRS Financial Codes Manual referenced in APPENDIX C contains a complete list of OCCs.

5. Bureau Control Number (BCN). The BCN is a five-position, numeric field used to identify the holder of the funds or OPBUD. The BCN for O&M will be the UIC assigned to the allotment authorization (formerly OPBUD or SUBOPBUD) provided to commands. For example, III MEF's UIC 67438 appears as the BCN for subordinate commands of 3d Marine Division, 3d Marine Logistics Group (MLG), and 1st Marine Aircraft Wing because III MEF is the SUBOPBUD holder for all three commands. For allotment holders, the first two digits of the BCN will be the appropriate budget project (BP) code followed by the three-digit allotment holder number.

6. Suballotment Number (SA). The SA is a one-position code used to identify a Centrally Managed Allotment (CMA) administered at HQMC. CMAs are established to account for items or functions where one office managing funding and costs is more appropriate from a control and administrative perspective than distributing funds to each command. CMAs are established for foreign currency fluctuations, second destination

transportation, etc. If funds are not chargeable to a CMA (e.g., field commands using their own funding), this field will be left blank. A zero will not be used in this field.

7. Authorized Accounting Activity (AAA). The AAA is a six-position code used to identify the activity responsible and authorized to perform the accounting function for the Fund Holder. The current code is 067443, which represents DFAS, Cleveland (DFAS-CL).

8. Transaction Type Code (TTC). The TTC is a two-position code used to classify the type of payment or receipt. Common TTC codes are: 2D (i.e., general payment), 1K (i.e., travel advance), and 3C (i.e., reimbursable collection). Refer to the SABRS Financial Codes Manual referenced in APPENDIX C and the Transaction Type Codes document in APPENDIX D for a complete list of valid TTC codes.

9. Property Accounting Activity (PAA). The PAA is a six-position field used to identify the responsible plant PAA (usually the command UIC) for equipment purchases classified as plant property. For TDY documents, this field is used to reflect the Travel Order Number (TON). For all other transactions, field will be zero-filled.

10. Cost Code. The cost code is a 12-position code used for local identification of transactions. For TDY transactions, this field will be automatically generated from the order writing system. For Government Commercial Purchase Card (GCPC) transactions, this field will contain the BEA, BESA, and FC. For all other transactions, this field should contain the last 12 digits of the SDN assigned to the source document.

3009. Other Codes Required to Track Financial Execution

1. Organization Code Hierarchy. Organization codes are used to pass authorizations and to identify the specific command that executed funds. These codes are located in the Financial Codes Manual and the SABRS Customer Handbook referenced in APPENDIX C. The hierarchy, from highest to lowest, for organization codes is:

a. Basic Symbol Sponsor. The basic symbol sponsor is a six-position, alphanumeric code that identifies the command that will become responsible for the total budget authority delegated to them from HQMC. MARCORSYSCOM is the delegated basic symbol

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sponsor for the procurement and research, development, and testing appropriations.

b. Major Command Recipient Identifier (MRI). The MRI is a six-position alphanumeric code that identifies the first command level, below HQMC, that receives funds. Examples are M00264 (Commander, Marine Corps Combat Development Center) and M67025 (Commander, USMC, Pacific).

c. Allotment Recipient Identifier (ARI). The ARI is a six-position, alphanumeric code that identifies the first command level that receives funding from the MRI. The ARI can be the same code as the MRI.

d. Suballotment Recipient Identifier (SRI). The SRI is a six-position, alphanumeric code that identifies the command or activity that receives funding from the Allotment Recipient command. For example, MARFORPAC (ARI M67025) passes funding to III MEF (SRI M67438).

e. Work Center Identifier (WCI). The WCI is a six-position, alphanumeric code that identifies the lowest command element that is distributed funds from the SRI. For example, III MEF (SRI M67438) passes funds to 3d Marine Division (WCI M13000).

f. Budget Execution Activity (BEA). The BEA is a WCI-defined, two-position code that represents a major organizational breakdown within the WCI. Examples for WCI M47604 are: FT (Utilities), LM (Motor Transport), etc.

g. Budget Execution Sub-Activity (BESA). The BESA is WCI-defined, two-position code that is a further breakdown of the BEA. The BESA can use the same code as the BEA. The SABRS Financial Codes Manual referenced in APPENDIX C contains valid BESA codes by command WCI.

2. Data Elements. The following elements are used to identify what funds were executed and the purpose for fund execution. These, as well as the data elements mentioned above, can be arranged to track execution on different levels. Below is an example how these elements can be arranged within some of the feeder systems (e.g., DTS, PowerTrack, etc.). The codes are defined as follows:

WCI	BEA	BESA	FC	OCCSOCC	CAC	JNLU	RON	RBC
M47861	CP	GS	FL	2524	PPMH	MFHQ		

Table 3-8.--Data Elements Example.

a. Fund Code (FC). The FC is a two-position code used as a short key to identify the appropriation, subhead, BA/BSA group, BLI number, and PEN. Valid FCs can be found in SABRS Table 020.

(1) APPN. Previously described in this chapter.

(2) Subhead. Previously described in this chapter.

(3) Budget Activity (BA). The BA is a two-position code that identifies the first sub-division of the Treasury account (Appropriation Basic Symbol) from a budget perspective. This code is required to meet OMB and OSD reporting requirements of the President's Budget. It also defines subtotal requirements of other recurring budget execution reports, such as "Appropriation Status by FY and Sub-Accounts" (RCS ACCTG-RPT-(M)-1002).

(4) Budget Sub-Activity (BSA). The BSA is a three-position code that identifies additional subdivisions below the BA from OSD and Defense Security Assistance Agency budget perspectives. This is required for budget submissions from the Military Pay (MILPAY), O&M,MC, and RDT&E,N appropriations.

(5) Budget Line Item (BLI). The BLI identifies additional sub-divisions below the BA and BSA levels for budget purposes. The information required at this budget subdivision level is the same for the same type of account regardless of service component.

(6) Program Element Number (PEN). PENs provide a link between budget execution and the Future Year Defense Program (FYDP). PENs aggregate resources (appropriations and manpower) used to accomplish missions of the organization. The FYDP is the official document that summarizes forces and resources associated with programs approved by the Secretary of Defense. A link between BA, BSA, and PEN exists in SABRS. When selecting FCs, first look at the BA and BSA to ensure that is the funding source being executed (e.g., BSS1, 1A1A), then review the PENs for the appropriate code to program being executed. The first two digits of the PEN will reflect one of the 11 major defense programs. For O&M users, the key PENs are:

PEN	DESCRIPTION
02	General purpose forces, operating forces, and bases that support forces (e.g., Camp Lejeune)
05	Guard and Reserve forces (i.e., Marine Forces Reserve)
07	Central supply and maintenance (i.e., LOGCOM and bases of Albany, Barstow, and Blount Island)
08	Training, medical, and other general personnel activities (i.e., Parris Island, San Diego, Quantico)
09	Administrative and associated activities (i.e., HQMC)

Table 3-9.--O&M Key PENs.

b. Object Class and Sub-Object Class Codes. The OCC is described previously in this chapter. The SOCC is a further breakdown of the OCC into details of source of supply (e.g., DLA, Army Stock Fund) or other similar breakdowns of expense type required for budget exhibit OP-32 reporting. Detailed Object Class and Sub-Object Class Code combinations and purposes can be found in SABRS Table 049, the Object Class Sub-Object Class Table.

c. Cost Account Code (CAC). The CAC is a four-position code used to classify financial transactions according to their purpose and uniformly identify the cost for management reporting requirements. There are CACs specific for contingency operations, garrison force operations, installations, etc. CACs can be found in SABRS Table 014, the CAC Table.

d. Special Interest Code (SIC). The SIC is a three-position code used to collect and track all costs associated with a specific, high-interest program or contingency operation regardless of command, BEA, FC, or appropriation. There are two types of assigned SICs: HQMC and locally assigned. All HQMC assigned SICs will be alpha codes. By use of the standard SIC throughout the Marine Corps, all costs for contingencies (e.g., Iraqi Freedom) or special exercises (e.g., Cobra Gold) can be captured and quickly identified at the HQ level for reporting purposes.

e. Job Order Number/Local Use (JNLU). The JNLU is a four-position code locally assigned by commands to collect information for local classification. This field is also used to place the appropriate Marine Corps Community Services (MCCS), environmental, etc. CACs for labor default transactions are passed to SABRS from DCPS.

f. Reimbursable Order Number (RON). The RON is a 15-position, alphanumeric code that is locally assigned to identify a specific request for reimbursable work that the command has accepted. A RON must be cited within the fiscal codes entered into SABRS for each source document that is chargeable against the accepted customer order. This field is not required for non-reimbursable transactions (direct chargeable transactions against the commands operating funds).

g. Reimbursable Billing Code (RBC). The RBC is a one-position code that is locally assigned in association with a RON to identify one specific LOA cited in the customer order. RBCs will be sequentially assigned, beginning with "A," if the customer order contains more than one LOA.

3010. Standard Financial Information Structure (SFIS). SFIS is the DoD's common business language that includes data elements that support budgeting, accounting, financial reporting, and performance-based management efforts. SFIS elements are grouped around unique identifiers that capture standard data at each financial or business process phase. These phases run from appropriation enactment, allocation distribution, and the transaction cycle of commitment, obligation, expense, and liquidation. Key unique identifiers are:

1. Allocation Unique Identifier (AUID). The AUID is the primary budgeting data key that links Department, Appropriation Basic Symbol, period of appropriations availability for new obligations, BA, BSA, and BLI to each source transaction to identify what type of funds are being executed.

2. Organization Unique Identifier (OUID). The OUID is the primary data key to identify what command or "who" is executing funds. The OUID is comprised of the UIC, Agency Disbursing Identifier, and Accounting Support Identifier Code (e.g., "M00027" (HQMC), "067443" (DFAS-CL for accounting), and "06102" (Disbursing Officer Symbol)). For the Marine Corps, the OUID will also link the BEA and BESA.

3. Demand Unique Identifier (DUID). The DUID is the primary key to identify a specific requirement through the transaction cycle. For the Marine Corps, the DUID will be the SDN or MILSTRIP number assigned to the source transaction at the commitment phase. Associated with the DUID will be the PIIN, Contract Line Item Number (CLIN), and SPIIN for contracts.

3011. Marine Corps Programming Codes (MCPCs). The MCPC groups like functions, regardless of appropriation, into a total resource prospective for funding decisions. This code for linkage of execution back to the program amounts will be achieved through the use of FC, WCI, BEA, and BESA (SABRS Table 231). The MCPC is listed on SABRS Table 244 and listed on Program Budget Development Database (PBDD) under Program Structure USMC. These linkages for bases, forces, and other support elements are contained in the SABRS Financial Codes Manual referenced in APPENDIX C.

3012. Document Retention Policy. Documents are retained in accordance with schedule 6 of reference (h). Specifically: Keep original records and associated papers, and supporting documentation for 6-year and 3-months. See the Source Document Matrix referenced in APPENDIX D for a list of specific documentation for each business process cycle across all phases of the financial transaction life-cycle (e.g., Initiation, Commitment, Obligation, Expense, and Liquidation).

3013. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, implement, and maintain internal controls over financial reporting to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.

6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions, such as making purchases, authorizing purchases, payments, certifying funding, reviewing, and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.
12. Ensure funds are available for all PRs.
13. Ensure obligation is properly recorded in SABRS prior to reconciliation and disbursement.
14. Ensure all commitment, obligation, expense, and liquidation amounts are properly reconciled with source business feeder systems.
15. Ensure unauthorized commitments are ratified.
16. Ensure appropriate authorization controls are established.
17. Ensure transactions are properly documented. Ensure spending limits are strictly controlled. Ensure violations of these limits will be enforced.
18. Ensure proper internal controls exist for all purchases, including purchases under the micro-purchase threshold.
19. Ensure that amounts obligated are accurately calculated and recorded.
20. Ensure all transaction reports are disseminated to the appropriate personnel.

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Chapter 4

Procurement of Goods, Services, and Equipment

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Chapter 4

Procurement of Goods, Services, and Equipment

4000. General. This chapter provides an overview of the process to procure goods, services, and equipment from commercial vendors and government sources, and also identifies the responsible entities involved in support of mission requirements. For further guidance and procedures on Marine Corps procurement processes see reference (q).

4001. Procurement from Commercial Vendors. The following paragraphs (i.e., 04002 through 04006) discuss the process for the purchase of goods, services, and equipment that are not available through regular DoD supply channels that must be purchased on the open market (e.g., Contracting, GCPC, etc.). The following sections also discuss the methods of procurement after the requirement has been approved by the Approving Official (AO) or Supply RM.

4002. Contracting. The procurement of contracted materials and services (M&S), outside of the Defense Supply Systems (DSS), can be broken into seven major functions: requirements generation, requirements approval, procurement method, contract generation, government receipt and acceptance (RA), invoice generation, and disbursement. The Marine Corps has automated various procurement processes. As a result, the majority of procurement functions are now fully automated, allowing documentation to be maintained in source systems. See Table 4-1 for descriptions of each function.

Function	Description
Requirements Generation	This function is determining that a good or service is required for mission accomplishment and that the source provider will be a private concern requiring contracting action. Requirements are processed via the PR Builder.
Requirements Approval	AO reviews requirements in PR Builder. Once approved, the requirements information is electronically passed to SABRS for a funds control check. If funds are available, the transaction is passed to the contracting system for action.
Procurement Method	If the requirement meets the GCPC threshold (less than \$3,000 for goods or \$2,500 for services) than the GCPC shall be utilized. If the requirement exceeds the above criteria, it shall be forwarded for contracting action.

Function	Description
Contract Generation	Contracting officials take the information provided from the approved PR Builder request and complete the actions of source determination, cost, bid reviews, etc. and approve and issue a contract. The contracting office processes contracting actions via Standard Procurement System (SPS).
Government RA	Once the Vendor has delivered the contracted goods and services and invoiced the government via Wide Area Workflow (WAWF), designated government officials will provide the acceptance for delivered goods or services via WAWF. This completes the required electronic evidence of entitlement, delivery and acceptance to payment.
Invoice Generation	The Vendor awarded the contract will invoice for payment once delivery of the contracted goods or services is performed. The Vendor will process the invoice via WAWF. WAWF gets data from SPS that will contain information from the issued contract to include PIIN, SPIN, CLIN, and ACRN data required by the Vendor to process the invoice.
Disbursement	The DFAS processes the disbursement for the completed payment package via several automated disbursing systems.

Table 4-1.--Procurement Functions.

1. For audit purposes, all requirements for proof of transactions are maintained within the source business systems to support and justify the transaction recordings in SABRS. Fund Managers should devise a means of tracking these transactions until they officially post in the accounting system. The SABRS Feeder Systems Manual referenced in APPENDIX C provides additional information.
2. The Marine Corps acquires contracted M&S through other Federal Agencies and commercial vendors. These contracts are administered internally, by the Marine Corps, and externally, by the Defense Contract Management Agency (DCMA) or other contracting agencies.
3. Requirements generation is the first phase of the procurement process, where it is determined that goods or services are required for mission accomplishment, and how those goods and services will be sourced (see chapter 3, section 10 of reference (q)). All PRs will be created using PR Builder, which contains the functionality to create, route, and approve several types of PRs. If the requirement meets the GCPC threshold, then the GCPC shall be utilized. If the requirement exceeds the above criteria, it shall be forwarded for contracting action.
4. SABRS information is subsequently passed to the SPS for contracting via PR Builder. SPS is the standardized automated procurement system for use by the DoD. The Marine Corps Regional Contracting Office (RCO) uses SPS to create, organize and manage contracting procedures in accordance with the rules and regulations of the (reference (f)). Upon review of the requirement, the RCO assigns the requirement to a Contracting Officer (KO) to begin the contracting process. Based upon the materials and/or services being acquired, the KO determines the selling activity and whether to administer a contract internally or externally.
5. The primary disbursing platform is the Automated Disbursing System (ADS). ADS accept certified payment files from the various DFAS entitlement systems and forwards payment (either check or electronic funds transfer (EFT)) to the payee. Subsequently, disbursement information is reported daily to SABRS via Defense Cash Accountability System (DCAS) interface.
6. Source Documentation
 - a. NAVCOMPT Form 2276A, "Order for Work and Services Direct Citation". The NAVCOMPT Form 2276A is used to request

contracting action for procurement of goods or services from a contracting office or office in support of the command such as a facility maintenance contract. This form is a commitment when accepted. The obligation is created once the actual contract is issued.

b. Standard Form (SF) 30, "Amendment of Solicitation/Modification of Contract". The SF 30 is used to amend or modify an existing SF 1449 (i.e., obligating document). This form is commonly used to change price, quantity, color, etc. on the original contract. It is also used to cancel a contract in its entirety. Some changes, such as color or size, may not have a financial impact, while other modifications or even a cancellation, will impact SABRS and a Fund/RM's account.

c. SF 1449, "Solicitation/Contract/Order for Commercial Items". The SF 1449 is a multi-purpose form used throughout the DoD to document the legal, binding contract issued to a private business for providing goods or services to the government.

7. Roles and Responsibilities

a. Enterprise Level. The Senior Procurement Executive for the Marine Corps is the DON Assistant Secretary of the Navy, Research, Development, and Acquisition (ASN (RD&A)). Contracting responsibilities within the Marine Corps are divided between two Heads of Contracting Activity (HCAs): HQMC DC I&L and MARCORSYSCOM. DC I&L HCA has delegated contracting authority to the Marine Corps Field Contracting System (MCFCS) via ADC I&L, Contracts (LB).

(1) Marine Corps Field Contracting System (MCFCS). The Marine Corps has undergone an organizational transformation resulting in a regional management model. This regionalization resulted in geographically based Marine Corps Installations (MCIs). The MCFCS consists of those RCOs that support the MCI organization as well as other contracting offices that have been delegated contracting authority. The MCFCS provides general contracting support for supplies and services in support of Marine Corps Posts, Camps, and Stations.

(2) Marine Corps Systems Command (MARCORSYSCOM). MARCORSYSCOM is responsible for the management of assigned programs, maintaining oversight of cost, schedule, and performance, and reporting directly to ASN (RD&A) for all matters pertaining to research, development, and acquisition.

MARCORSYSCOM is assigned management authority and accountability for weapon and IT system acquisition programs.

(3) Program Executive Officer (PEO) Land Systems (LS). Marine Corps PEO LS is a separate command from MARCORSYSCOM, reporting directly to the ASN (RD&A). PEO LS' integral relationship with MARCORSYSCOM leverages infrastructure, competencies and technical authority.

(4) Associated Commands. Naval Supply Systems Command (NAVSUP) directly supervises, manages, and serves as the logistics support authority for Navy and Marine Corps SYSCOMs, PEOs, Direct Reporting Program Managers (DRPMs), and PMs and their assigned acquisition programs throughout the program life cycle. Note that Naval Air Systems Command (NAVAIR), Naval Sea Systems Command (NAVSEA), and Space and Naval Warfare Systems Command (SPAWAR) also retain logistics control over certain systems (e.g., EA-6B, EAF gear, MOSOLs, AM2 matting).

(5) Deputy Commandant, Programs and Resources (DC P&R). Serves as the Level III coordinator to provide overall program management at the HQMC level (RFA). Responsibilities include the oversight and audit management to include span of control, profile management, delinquency, credit limit, OMB reporting, inactive cards and convenience checks, and the management of all Agency Program Coordinators (APCs) in the Marine Corps. Additional Level III responsibilities include:

(a) Accounting and Financial Systems Branch (RFA), Analysis and Review Section (A&R). Responsible for the overall APC management and coordination with DC I&L LB. Other responsibilities include delinquent invoice resolution, LOA management, and DFAS vendor pay coordination.

(b) Accounting and Financial Systems Branch (RFA), Systems Integration Data Integrity (SIDI). Responsible for SABRS table management system research and resolution of systemic issues and collaborate the integration efforts of HQMC I&L Logistics, Plans and Policy Strategic Mobility Division (LP) and LB.

(c) Risk and Compliance Branch (RFK). Responsible for the overall efforts in support of audit readiness, internal control program testing, Marine Corps Financial Evaluation and Analysis Team (MCFEAT)/Field Supply and Maintenance Analysis Office (FSMAO) analysis, inspection and training support.

(6) Defense Finance and Accounting Service (DFAS). DFAS has the functional responsibility for DoD finance and accounting policies, procedures, standards, systems, and operations. They are the primary service center for the Marine Corps in Cleveland (i.e., DFAS-CL). They are responsible for the official reporting of accounting information affecting the Marine Corps. DFAS processes and posts liquidations or payments that affect Marine Corps appropriations and allotments and assists Marine Corps commands in resolving financial problems and issues. They also correct system problems, and schedule and run SABRS cycles. The validity of the amounts recorded in the accounting system is still the responsibility of the Marine Corps.

b. Local/Regional Level. The Contracting Process is intricate and involved, requiring cooperative efforts among several key participants who are referred to across the DoD by many different designations.

(1) Logistics Responsibilities.

(a) Project Manager. Approves and forwards the requirements to the financial entity responsible.

(b) Accountable Official. Key individuals who have fiscal liability. Accountable Officials include APCs, AOs, CHs, RMs, Funds Holders, and Automated Information System (AOS) administrators.

(c) Head of Contracting Activity(HCA). Responsible for providing oversight of activities for which they delegate contracting authority including those activities under their cognizance managing and operating local GCPC programs. For HQMC the HCAs are DC I&L and MARCORSYSCOM. DC I&L HCA has delegated contracting authority to the MCFCS via ADC I&L LB.

(d) Head of Activity (HA). Generally the local commanding general and owner of the activity whose responsibilities include the conduct of internal controls, ensuring proper resources are allocated and provided administrative and disciplinary action in fraud waste and abuse cases.

(e) Regional Contracting Office (RCO). Assigns the requirement to a warranted KO to begin the contracting process.

(f) Chief of Contracting Office (CCO). Views all PR's and, based on the information, sends it either to a Contract Specialist or a Contracting Team Lead for processing.

(g) Contracting Specialist. When all processing is completed, the Contract is sent to either a KO or Legal Counsel.

(h) Contracting Officer (KO). Awards the contract and signs for receipt of goods or validates that service has been provided.

(i) Funds RM. Receives and manages authorized funds as a resource in order to accomplish and execute their assigned missions.

(2) Financial Management Responsibilities

(a) Fund/RM. Approves the funding and submits the requirement to the RCO.

(3) Contractor/Vendor Responsibilities. Once the contract is awarded, the Contractor/Vendor becomes a member of the Acquisition Team. Subpart 46.105 of reference (f), "Contractor Responsibilities," directs that the Contractor be responsible, under the contract, for the following: controlling the quality of supplies or services, tendering to the government for acceptance only those supplies or services that conform to contract requirements (i.e., invoicing through WAWF), maintaining evidence that the supplies or services conform to required quality requirements, are within the expected cost, and are delivered on time, and furnishing such information to the government.

4003. Government Commercial Purchase Card (GCPC) Program. The GCPC is similar in nature to a commercial charge card, however, it is for official government use only by authorized agency personnel, and can only be used to purchase supplies and services in support of mission requirements. Cards are requested and assigned to users once internal command APC authorization request is granted by the local RCO upon receipt of required training documentation from government employees. As the contract vehicle for the government, merchants who accept the credit card program's purchase card are paid via a streamlined payment process in the credit card program IT system, with payment usually received within 24 to 48 hours. The GCPC is mandatory for all purchases less than or equal to the micro-purchase threshold.

1. Micro-purchase threshold amount is \$3,000, with the following exceptions:

a. \$2,000 for acquisitions of construction subject to the Davis-Bacon Act

b. \$2,500 for acquisitions of services subject to the Service Contract Act

c. For acquisitions of supplies or services that, as determined by the HCA, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, as described in sub-paragraph 13.201(g)(1) of reference (f), except for construction subject to the Davis-Bacon Act (sub-paragraph 428a of reference (e))

d. \$15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the U.S.

e. \$25,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the U.S. based on the item(s) being purchased, authorized limits may be higher

2. Receipt/Acceptance. There should be an acknowledgement of RA of goods/services for all purchases made with the GCPC. Acknowledgement of RA is performed prior to proceeding with payment to ensure that all goods and services are received and requirements are met.

3. Invoice Certification. The GCPC invoice certification process is generally automated. The credit card program's online statements provide all posted transactions within the designated billing cycle. The posted transactions are reconciled from the billing statement to retain purchase receipts in order to validate all charges, credits, disputed transactions, etc.
4. Disbursement. Certified billing statements are reviewed and processed to issue check payments or Electronic Fund Transfer (EFT) disbursements through the ADS.
5. Reporting. Periodic reporting of each Federal Agency's GCPC program is required in accordance with Federal statutory laws and regulations.
6. Check-out/Close-out. Departing GCPC participants must go through a check-out/closeout process to ensure cards are surrendered, purchase card files are retrieved and established accounts are promptly closed.
7. File Maintenance and Retention. In accordance with Federal statutory retention laws and regulations, purchase card files must be maintained for a period of six (6) years and three (3) months.
8. Roles and Responsibilities.
 - a. Enterprise Level:
 - (1) HQ I&L LB. The overall APC for the credit card program, charges with the responsibility of conducting quarterly reviews of AOs and Card Holders (Level IV and Level V). Additionally, assists DON with resolving any issues involving the credit card program system.
 - (2) Deputy Commandant, Programs and Resources (DC P&R). Provides assistance to HQ I&L LB with the oversight of all APCs in the Marine Corps. Additional Level III responsibilities include delinquent invoice resolution, LOA management, DFAS vendor pay coordination, SABRS table management system research, resolution of systemic issues, internal control program testing, MCFEAT/FSMAO analysis, inspection and training support.
 - b. Local/Regional Level: The Contracting Process is intricate and involved, requiring cooperative efforts among

several key participants who are referred to across the DoD by many different designations.

(1) Logistics Responsibilities. For more information concerning local responsibilities including those of the Fund/RM, refer to reference (s), reference (q), and reference (v).

(2) Financial Management Responsibilities

(a) Fund Holder. The Fund Holder acts as the liaison and intermediary for addressing and resolving payment issues among Marine Corps activities, the credit card program, and DFAS must track in the credit card program the progress of Card Holder reconciliation and AO certification in order to pay promptly. Duties include monitoring the credit card program reporting system to identify potential GPCP misuse, abuse, or potential fraud, as well as the following:

1. Carry out duties assigned by the Comptroller to include loading LOAs into SABRS.

2. Assist the primary APC in correctly loading the approved LOAs for each Card Holder into the Credit card program automated system.

3. Validate that SABRS tables are loaded correctly to support the LOAs in The credit card program; ensure the obligation interface posts the LOA obligation.

4. Oversee transactions in SABRS to ensure timely, accurate posting of financial information, proper usage of funds, correct coding, and validity of obligations.

5. Track the PRTEROR report and DFAS' Vendor Pay Inquiry System website for correction of identified spending and payment errors.

(3) Agency Program Coordinator (APC) - Overall PM for activity at HQMC (level 3), regional (level 4) and local (level 5) levels. Duties included vary, refer to reference (v), which provides HQMC guidance pursuant to reference (m) for specific duties.

(4) Approving Official (AO) / Certifying Officer (CO). AOs are responsible for the oversight to Card Holders and shall be the CO for the accounts assigned. Frequent review of

available information shall be accomplished to promptly identify improper use. AOs must be appointed in writing via an appointment letter or a DD Form 577, "Appointment/Termination Record - Authorized Signature," by the CO, as recommended by the Supply RM.

(5) Card Holder. Card Holders are responsible for the timely, accurate processing of monthly billing statements and updates of Card Holder's automated system, if applicable. Card Holders must adequately control access to the card to preclude unauthorized use. Frequently review of available information from contractor and other automated purchase card support systems is essential to promptly identify improper use. Card Holders are also responsible for taking timely and proper action when unauthorized charges occur. Card Holders must be appointed in writing via an appointment letter and a DD Form 577, by the CO.

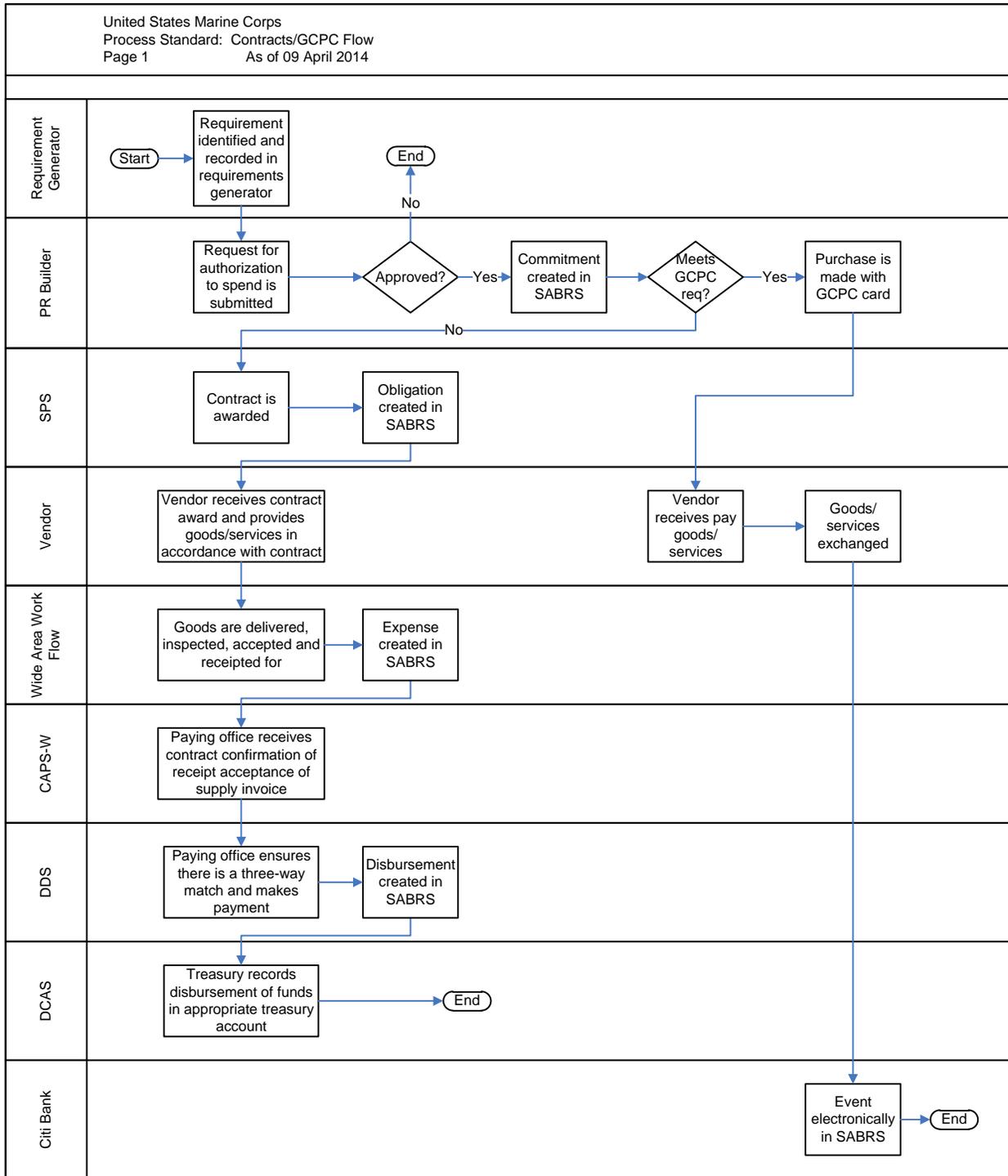


Figure 4-1.--GCPC Procurement Process Flow.

4004. Miscellaneous Payments. Additional information on miscellaneous payments can be found in reference (k) and volume 3, chapter 8, and volume 10, chapter 12, "Miscellaneous Payments" of reference (h).

1. Definition. Automation of the transaction cycle and payment process for transactions not covered or processed in another feeder system. (i.e., utilities, reimbursement to MCCS, billeting charges)

2. Process (non-contractual). 3 in 1 transaction initiated via PR Builder and finished via WAWF. Once the commitment has been established from PR Builder, the remaining transaction cycle is executed in WAWF. Either the Vendor or government employee will initiate the invoice for the transaction. Upon acceptance the transaction will be validated and the payment will be made, completing the process.

3. Supporting Documentation. Refer to the Source Document Matrix referenced in APPENDIX D of this Order for additional information.

4005. Direct Cite Process. This section provides guidance regarding the authority for one Marine Corps command to fund the material and service support of another Marine Corps command within the same appropriation. The process is similar to the issuing of a reimbursable order to an outside activity in that the command providing the funding acts as the buyer while the command accepting the funding acts as the seller. However, the issuing of a reimbursable order, such as a NAVCOMPT Form 2275, "Order for Work and Services," between Marine Corps commands under the same appropriation is expressly forbidden. To meet this need, the Direct Cite process has been established and must be used. See SABRS Direct Cite Process in APPENDIX C for more information and guidance.

1. The Direct Cite process in SABRS provides a means for one Marine Corps command to transfer funding to another Marine Corps command without having to create, authorize, and issue a reimbursable order or by having a funding transfer occur between the commands. The process involves two parties who are referred to as follows:

a. Requester. The command or activity that is requesting the work and support from another Marine Corps command.

b Performer. The Marine Corps command that is providing the required work or support on behalf of the buying activity. 2. The requester will contact the Performer once the Direct Cite authorization process is complete. If email notification is provided it should include the Direct Cite Code, Basic Symbol, and FY Full the requester assigned to the transaction. Once the Performer receives this notification they need to enter SABRS and accept the funding in a timely manner, typically 30 days or less. The procedures for creating and accepting a Direct Cite request, as well as the actions required by both parties throughout the performance period, are provided in more detail in the SABRS Direct Cite Process (APPENDIX C).

a. Funding transactions processed in the direct-cite funding process must be accepted in SABRS by the selling command within 30 days. P&R RPPB will monitor on a monthly basis all aged-action reports, and any funds not accepted beyond the 30 day scope will be rescinded to P&R's control and management of those funds. Aged-actions from the selling command puts the buying command at risk to lose the funding, so continuous communication is encouraged to deter inadvertent loss of funds. Compliance with this 30-day acceptance rule helps ensure proper funds management and accountability from both the selling command and the buying command. The buying command may recoup funds when there is an uncommitted balance amount or when the performing activity (selling command) rejects the transaction. P&R RPPB will also monitor uncommitted balances and their timeliness in obligations.

b. A direct-cite funding authorization is not applicable to fund labor costs between two Marine Corps commands. These charges will be transferred from the selling command to the buying command through the on-line allocation process. Buying command will provide the selling command the LOA, funding function, BEA, BESA, and other fiscal code information to be used in processing direct to direct labor allocations.

c. Any indirect costs incurred by the selling activity will be borne by the selling activity and will not be transferred either through a direct-cite charge or labor allocation to the Buying Activity.

d. Selling Activities will monitor indirect costs of supporting Buying Activities and submit these amounts for future POM funding consideration. Buying commands are required to reconcile SABRS to the Work Year Personnel Cost (WYPC) System by the WYPC due date every month.

4006. Training

1. SF 182 Authorization, Agreement, and Certification of Training. The SF 182 is used to request and authorize payment or reimbursement for training classes for both civilians and military personnel. (Reference (m) directs that the purchase card be used as the method of payment for all training requests valued at or below \$25,000.) This form is considered a commitment form when it has been created but not approved. After the document has been approved, it becomes an obligation document.

4007. Procurement from Government Sources. DoD activities may furnish the sale of material, work, and services to other DoD Components, Federal Agencies, or public sources on a reimbursable basis pursuant to public laws and DoD policies. HQMC DC I&L and MARCORSYSCOM are the reimbursable process owners. DC I&L HCA has delegated contracting authority to the MCFCS via ADC I&L LB, and as such, local RCOs will provide governance matters pertaining to their region. The following paragraphs (i.e., 04008 through 04011) pertain to the procurement process through government channels.

4008. Military Interdepartmental Purchase Request (MIPR). The MIPR is a method for transferring funds amongst U.S. military organizations. It allows for multi-organizational cooperative efforts to be performed, rather than limiting funding to a single organization. The standard MIPR document is DD Form 448, "Military Interdepartmental Purchase Request." HQMC I&L LB controls the inter-governmental purchases process.

1. Responsibilities. See below for those roles and responsibilities specific to MIPRs, and refer to volume 11A, chapter 3, "Economy Act" of reference (h), for additional information.

2. DoD activities may furnish the sale of material, work, and services to other DoD Components, Federal Agencies, or public sources on a reimbursable basis pursuant to public laws and DoD policies.

3. MIPRs are requests for materials or services either on a reimbursable or direct citation. The acceptance of a MIPR by the performing activity serves as a notice to the requiring activity that the MIPR has been received and accepted for

action. After acceptance, the performing activity is authorized to create obligations against the funds cited in a MIPR without further referral to the requiring activity. Additional MIPR information is covered in the reimbursable chapter of this Order.

4. According to volume 4, chapter 3, "Receivables" of reference (h), the Accounts Receivable Office, in conjunction with the commands, is to maintain documents supporting the establishment of the receivable. This should include the MIPR (DD Form 448), MIPR Acceptance (DD Form 448-2), Amendments, as well as, the Order for Work and Services on the Public Side. The commands are required to send DFAS the documentation prior to the first billing.

5. Process Flow

a. The Performer (Marine Corps) sends DFAS-CL the MIPR/Acceptance.

b. The Grantor (Other Federal Agency) should send their accounting agency the MIPR/Acceptance.

c. The bill generates and DFAS-CL verifies that the Grantor LOA matches what is on the MIPR/Acceptance and that the Marine Corps has not obligated, expensed, or billed that reimbursable more than the amount agreed upon.

d. Once the bill is processed, the Grantor's agency verifies against their Accounting System, that the transaction will not create an over-obligation or unmatched transaction on their side.

6. Receipt and Acceptance (RA). The MIPR/WR Category Code 1 process consists of the procurement of goods and/or services (buyer) from other DoD organizations or Federal Agencies (seller). The buyer obligates the agreed upon amount for the seller, the seller performs the work and electronically "bills" against the buyer's obligated balance, and the billing continues until the job is complete and/or the funds are exhausted. The electronic bills are processed through the Intra-Governmental Payment and Collection (IPAC) System. The IPAC System is a major component of the Government On-Line Accounting Link System II (GOALS II) and establishes standardized inter-agency payment, collection, and adjustment procedures through an internet-based application.

a. The IPAC System does not require or provide the capability for RA prior to making the disbursement. To ensure that ordered goods and/or services paid for via IPAC were received to the quality and quantity standards as stipulated in the reimbursable agreement Marine Corps commands must implement a post-payment certification process for IPAC disbursements that will improve funds stewardship, asset accountability, and audit results.

b. USMC commands and organizations shall create and maintain a receiving report for every IPAC transaction recorded in SABRS. In addition, FM Personnel must enter a "Manual Expense" transaction into SABRS immediately after the corresponding IPAC disbursement posts.

c. To prove the Marine Corps received what we paid for, the preferred type of documentation to support RA of IPAC transactions is the DD Form 250, "Material Inspection and Receiving Report." However, in cases where a DD Form 250 is unavailable, local receiving report forms, and/or email correspondence with a digital signature with all elements illustrated in the DD Form 250 can be used to support the IPAC disbursement. Specifically, this includes the following minimum elements:

- (1) Contract number (PIIN) or purchase order number.
- (2) Adequate description of the goods or services that were received.
- (3) Quantity of supplies or services received.
- (4) Dollar value of the items or services received.
- (5) A certification statement and date the items or services were received and accepted.
- (6) Signature of the receiving activity official (govt.) authorized to receive the items or services.
- (7) Printed name, title, complete mailing address, email address, and telephone number of the receiving activity (govt.) official authorized to receive the items or services.
- (8) Additionally, the individual who approved the transaction for purchase cannot perform RA activities for the

goods and/or services ordered, and shall not be the signatory of the DD Form 250, local forms, or provide the email noted above.

d. Per Treasury guidance, USMC has 90 days from the time the IPAC payment is processed to dispute the charge and process the adjustment (chargeback). To facilitate this process and increase the availability of funds, the RA must be accomplished no later than 30 days after the IPAC payment posts in SABRS. To process a chargeback, follow the instructions provided in volume 4, chapter 3, section 030504 of reference (h).

e. All documentation, to include DD Form 250s, local receiving report forms, and email correspondence with digital signatures must be maintained for the appropriate documentation retention period (e.g., 6 years 3 months) by the organization that requested the material and/or services. The documentation shall be readily available to provide to auditors or other external parties when required. It is highly recommended that this documentation be centralized locally in one repository.

7. Source Documents

a. DD Form 448, "MIPR". The DD Form 448 authorizes funds for an external command, outside the DON, to perform work or services for the requesting command. For example, if a Marine unit is training at an Army base, the Marine unit will send funds to the Army Base Comptroller with the DD Form 448 to fund work or services required by the Marine unit. An SDN with a DTC of MP is required on the document. The DD Form 448 is always a commitment document because it documents the request to the external command to perform the services required. The external command has the option of accepting or declining the WR.

b. DD Form 448-2, "Acceptance of MIPR". The DD Form 448-2 is the formal acceptance to the DD Form 448 used with other government agencies outside the DON. If the external agency determines they can perform the requested work or services, the external agency will complete the DD Form 448-2 and forward the document to the requesting activity. Receipt of this document from the performing activity constitutes an obligation of funds from the requesting unit's accounts for a CAT I MIPR. A contract is the obligating document for a CAT II MIPR. The performing activity can choose whether to accept the funds on a reimbursable (CAT I) or direct cite (CAT II) basis by checking Block 6a or 6b on the DD Form 448-2.

c. DD Form 250, "Material Inspection and Receiving Report". The DD Form 250 is used to record the receipt of goods shipped

by a vendor to a government receiving point. For example, when a vendor ships goods to the government, the receiving point will verify receipt, inspect the goods to ensure they conform to the specifics of the contract, and complete the DD Form 250 when goods are determined acceptable. The purpose of this form is to document the receipt of material and is therefore considered an expense document.

4009. Work Requests (WRs). The NAVCOMPT 2275 is used to request reimbursable work or services from any organization element within the DON. The form authorizes funds for an external command to perform work or services for the requesting command. For example, a Marine unit is training at a Navy base. The training unit will send funds to the external fiscal office or Comptroller to perform work or services for the unit that is conducting the training.

1. Process. The NAVCOMPT 2275 requires an SDN with a DTC of WR. Prior to the acceptance by the performing activity, the NAVCOMPT 2275 is considered a commitment document to the requestor. Once signed and accepted by the performing activity the form becomes an obligation document. Once the work is performed, invoices are sent to the requesting unit and are sufficient for expense documents. Lastly, a payment package would be sent to disbursing to complete the transaction cycle. Business feeder systems used are PR Builder and SABRS.

2. Source Documentation

a. NAVCOMPT 2275, "Order for Work and Services". The NAVCOMPT 2275 is used to request reimbursable work or services from any organization element within the DON. The form authorizes funds for an external command to perform work or services for the requesting command. For example, a Marine unit is training at a Navy base. The training unit will send funds to the external fiscal office or Comptroller to perform work or services for the unit that is conducting the training. The NAVCOMPT 2275 requires an SDN with a DTC of WR. Prior to the acceptance by the performing activity, the NAVCOMPT 2275 is considered a commitment document to the requestor. Once signed and accepted by the performing activity the form becomes an obligation document.

b. DD Form 250, "Material Inspection and Receiving Report". The DD Form 250 is used to record the receipt of goods shipped by a vendor to a government receiving point. For example, when a vendor ships goods to the government, the receiving point will

verify receipt, inspect the goods to ensure they conform to the specifics of the contract, and complete the DD Form 250 when goods are determined acceptable. The purpose of this form is to document the receipt of material and is therefore considered an expense document.

4010. Military Standard Requisitioning and Issue Procedures (MILSTRIP)

1. Responsibilities. See below for those roles and responsibilities specific to the MILSTRIP process.
2. MILSTRIP is used by the DoD Components to obtain goods and services by processing transactions through the Military Standard Logistics System (MILS), a DLA process.
3. Several sub-processes and/or systems obtain materials and supplies using the MILSTRIP process. Many of the business feeder systems used are not owned by the Marine Corps, but are valuable in their role and responsibilities of processing information during the course of the financial transaction cycle. These feeder systems and the processes that utilize the MILSTRIP process are located in the SABRS Feeder System Manual (APPENDIX C) and the Source Document Matrix (APPENDIX D).

MILSTRIP REQUISITION CYCLE

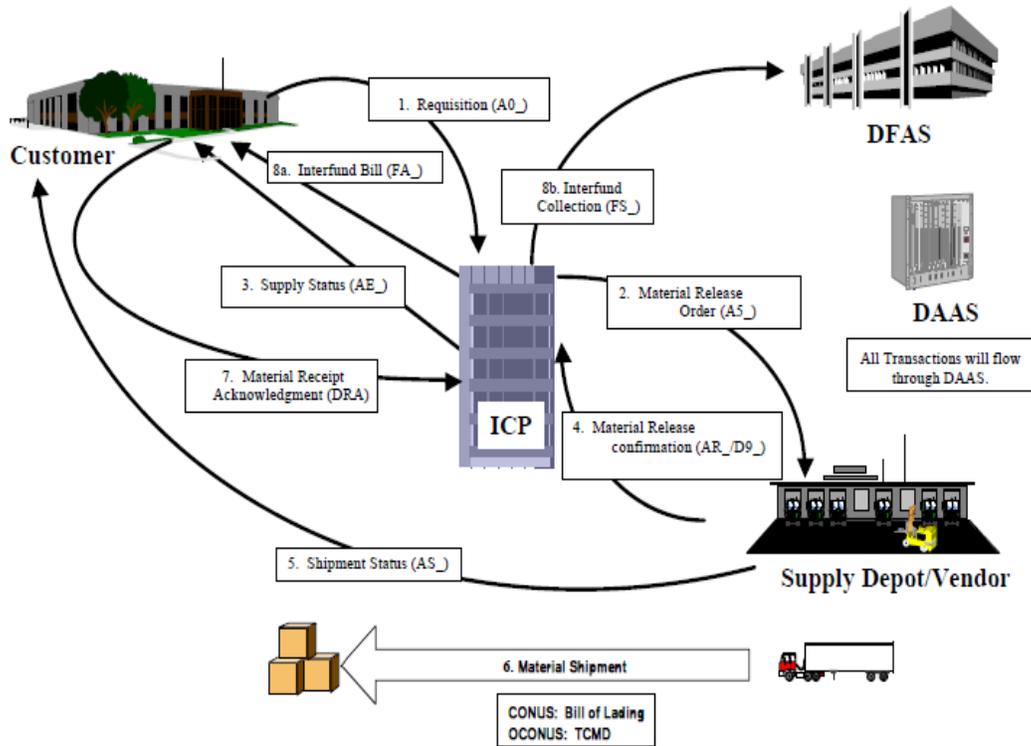


Figure 4-2.--MILSTRIP Requisition Cycle.

4. Source Documents

a. DD Form 1348, "DoD Single Line Item Requisition System Document". The DD Form 1348 is used to requisition materials or services from Federal sources. The DD Form 1348 can be used to commit and obligate funds. A FC is used to identify the appropriation to be charged. The document uses a MILSTRIP document number.

b. DD Form 1149, "Requisition and Invoice/Shipping Document". The DD Form 1149 is used to initiate the requisition of materials or services from Federal and non-Federal sources. The document will use both the MILSTRIP document number and the SDN. This form is used to request goods and services and when approved becomes a commitment. This form can also be used as a receipt/receiving report and source documentation for recording an expense in SABRS once goods and services are delivered

5. Below are several commonly used services that the Marine Core utilizes through the MILSTRIP process.

a. Global Combat Support Systems-Marine Corps (GCSS-MC). GCSS-MC is a Marine Corps-specific logistics chain management system which provides cross-functional information to enhance ground supply maintenance operations. The Marine Corps utilizes GCSS-MC as a military equipment Accountable Property System of Record (APSR). See para. 04013 of this Order for more information on GCSS-MC.

b. Business System Modernization - Energy (BSM-E). BSM-E is used to purchase fuel from the Defense Energy Support Center (DESC) using the Wright Express (WEX) Fuel Card or a Fuel Key. Transactions are interfaced with SABRS and charged to the purchasing unit. See SABRS Feeder System Manual (APPENDIX C) for more information.

c. Garrison Retail Supply Chain (GRSC). The GRSC initiative transforms the Direct Support Stock Control (DSSC) ServMart Stores and Shop Stores on Marine Corps installations into a single GRSC that is capable of supporting the entire Marine Corps with readily available, common commercial products (i.e., items and products sold typically through local commercial off-the-shelf channels; distributed in large quantities; not procured via local USMC contracting methods). A Logistics provider, in this GRSC ServMart store context, manages vendors that provide products either online or through a brick-and-mortar storefront. The Logistics Provider becomes the single point of contact for the flow of vendor products, financial data, and other pertinent information.

(1) ServMart Process

(a) When units require items that are carried at the ServMart a "shopping list" is created. The shopping list contains a rough estimate of the items quantities and cost of goods to be obtained at the ServMart. The list is submitted to the Fund Manager for approval prior to shopping. The approval is basically an internal funds availability check prior to obtaining the goods.

(b) Upon funding approval, a unit ServMart card is provided to the individual to go to the ServMart and obtain the required items. The ServMart card is the key for processing the financial transactions into SABRS. Each ServMart card contains key information used within the Provider's system and the record

passed to SABRS to post the financial event. The ServMart uses the Provider's System to process financial information to SABRS. The information contained on the card includes Unit Department of Defense Activity Address Code (DoDAAC), FC, and JON.

(c) The Provider's system assigns a document number to the purchase (either by individual item/quantity purchased or a bulk transaction) that consolidates all of the items into one document number for posting to SABRS. Once the Provider's system processes the purchases a dataset of transactions is provided to SABRS for inclusion in a cycle update. SABRS will use SABRS Table 0F2 to append the required fiscal data elements to the transaction.

(2) ServMart Card Holder/Fund Manager Responsibilities. The ServMart uses a workflow to route transactions through the various levels of approval prior to entry into SABRS Segregation of duty assignments is built into the control environment to ensure that the requestor, Card Holder and approver are different personnel. This non-system control ensures proper assignment of fiscal codes in SABRS and ServMart table requests for goods and services meets a bona fide need of the period and uncommitted and unobligated resources are available for the requested purchase, and errors are corrected in a timely manner for re-induction into the process.

Key Process/Management Control Measures	
Fund Manager and Card Holder appointed in writing	ServMart cards are issued only to authorized personnel
Ensure that appropriate approval process occurs prior to making ServMart purchases	Data elements for the ServMart card are properly updated in SABRS Table 0F2
Ensure proper posting of Provider's D7A transactions occur in SABRS after purchases occur (will occur within 2 SABRS cycles)	Ensure proper posting of Interdepartmental Bill (IDB) transaction to liquidate B7A commitment, obligation, and expense record in SABRS

Table 4-2.--Key Process/Management Control Measures.

(3) Key process and management control point checks are:

(a) Ensure ServMart cards are issued only to authorized personnel.

(b) Ensure that appropriate approval process occurs prior to making ServMart purchases.

(c) Ensure data elements for the ServMart card are properly updated in SABRS Table 0F2.

(d) Ensure proper posting of Provider's B7A transactions occur in SABRS after purchases occur (should occur within 2 SABRS cycles).

(e) Ensure proper posting of 1DB transaction to liquidate B7A commitment obligation and expense record in SABRS.

4011. Transportation. The transportation process applies to the movement of materials, equipment and people throughout the Marine Corps. The transportation process for the Marine Corps and the funds made available for the movement of things encompass a myriad of processes within the transportation community. The processes and systems used by the transportation community interact with SABRS via electronic and/or manual means. For detailed information on transportation, see reference (r).

1. Transportation of Things (ToT). ToT includes Freight/Cargo, Military Equipment, Household Goods (HHGs), and other services incident to the ToT. ToT can occur over various modes to include the following: Air Mobility Command (AMC) Cargo, Military Sealift Command (MSC) Cargo, Surface Deployment Distribution Command (SDDC) Cargo, and Commercial (inland, ocean, air).

2. Transportation of People (ToP). ToP is a contractual obligation for services in connection with carrying persons from place to place, by land, air, or water and the furnishing of accommodations incident to actual travel. ToP includes commercial transportation charges, rental or lease of passenger cars, charter of trains, buses, vessels, or airplanes. ToP can consist of Per Diem, other Travel Cost, and AMC Passenger fees. These costs do not include TAD transportation costs.

3. Roles and Responsibilities. The following enterprise and local level roles are responsible for the end-to-end transportation workflow. Some of these roles are inherent within Syncada/PowerTrack, and are highlighted throughout the below roles.

a. Enterprise Level

(1) HQMC I&L, Personal Property and Passenger (LPD-2). Responsible for overall program management and direction, including developing business rules, coordinating user training and implementation of Syncada, publishing LOA, SDN and TAC information, coordinating all contract issues between Marine Corps Syncada users and U.S. Bank, and assisting Transportation Management Offices (TMOs) in gaining access to Syncada.

(2) LOGCOM, Transportation Voucher Certification Branch (TVCB). The TVCB is responsible for certifying Government Bill and Ladings (GBLs), non-Syncada Commercial Logistics Support, Commercial Bill of Ladings (CBLs), and Transportation Component Command monthly billings.

(3) HQMC P&R Accounting and Financial Systems Branch (RFA) A&R. In coordination with DC I&L LB, RFA is responsible for the year-end closeout and TAR process guidance, and overall management of transactions that are in an abnormal status (e.g., NULO, ULO, UMD).

(4) HQMC P&R Accounting and Financial Systems Branch (RFA) SIDI. Responsible for SABRS table management system research and resolution of systemic issues and collaborate the integration efforts of I&L LP and LB.

(5) Risk and Compliance Branch (RFK). Responsible for the overall efforts in support of audit readiness, internal control program testing, MCFEAT/FSMAO analysis, inspection and training support.

(6) U.S. Bank. The U.S. Bank is responsible for issuing payment to carriers based on the charges authorized in Syncada by TMOs. The U.S. Bank generates a Syncada Summary Invoice for the CO for approval and certification, and subsequently receives payment from DFAS.

(7) DFAS. Receives the PowerTrack Summary Invoice (PSI) from the Marine Corps CO and processes the payments to U.S. Bank within 15 days after the date the statement is made available to the TMO. DFAS will work UMDs, record obligation increases as appropriate, record the initial obligation as appropriate, or use the HQMC established alternate LOA in instances where the appropriate LOA cannot be determined.

b. Local Level

(1) Requirements Generator. Submits requests for shipping/transportation services via Syncada to MAGTF planners (for operational/training requirements) or to Distribution Management Office (DMO) for all other requests (e.g., HHGs, unit equipment moves, etc.).

(2) Transportation Management Office (TMO). The TMO (or other designated person) is responsible for maintaining LOA authorization letters, receiving and processing shipment requests. TMO generates a manifest pickup report that accompanies the shipment. TMO is also responsible for approving payment to carriers for shipments meeting contractual guidelines.

(3) Transportation Account Codes (TACs) Coordinator. The TAC Coordinator is responsible for maintaining the Marine Corps' TAC database. This database contains all valid TACs and their associated SDN/LOA. The TAC Coordinator ensures the information populated in the database is valid and correct based upon information provided by Financial Managers. Refer to reference (r) for the most current codes.

(4) Financial Managers. Financial Managers are responsible for ensuring that all funding data is valid, an obligation has been posted accurately and in a timely manner, and for maintaining a system of positive funds control. Financial Managers are responsible for providing accurate, appropriate and funded TAC/LOA for shipping customers to use when requesting transportation services. Financial Managers review information in Syncada regularly to ensure financial data is accurate since obligations and expenditures are recorded in the respective accounting systems using Syncada data. Financial Managers assist TMOs by reviewing incorrect financial data in Syncada daily and coordinating with other Financial Managers to provide correct financial information before the PSI is generated. Any required changes will be coordinated with the Financial Manager and the TMO Syncada account holder. Comptrollers please refer to SABRS Feeder System Manual referenced in APPENDIX C.

(5) Carrier. As the Vendor, the carrier picks up the cargo, delivers it, and updates the delivery status of the shipment in Syncada. The carrier updates Syncada using the web-interface, or has the option of using EDI transaction sets to submit only delivery status or both delivery status and price

confirmation. The carrier receives payment from U.S. Bank and, as needed, works with the TMO to process any credit adjustments (E-bills used) via Syncada. The Carrier's title is the "Seller" in Syncada.

(6) Destination/Consignee. The Destination/Consignee is responsible for receiving the cargo and signing for its receipt.

(7) Certifying Officer (CO). The CO is responsible for PSI certification (to include verifying valid LOAs, SDNs and TACs). This representative, who may be the TMO that is appointed by the commanding officer, will act as the CO. The CO receives the PSI from U.S. Bank, certifies the charges, signs the statement and submits the certified statement to DFAS within five business days after the PSI is made available in the Syncada system.

3. Source Documents

a. DD Form 1149, "Requisition and Invoice/Shipping Document". The DD Form 1149 is used to initiate the requisition of materials or services from Federal and non-Federal sources. The document will use both the MILSTRIP document number and the SDN. This form is used to request goods and services and when approved becomes a commitment. This form can also be used as a receipt/receiving report and source documentation for recording an expense in SABRS once goods and services are delivered.

b. SF 1164 Claim for Reimbursement for Expenditures on Official Business. The SF 1164 is used to reimburse government employees for expenses they have incurred during the conduct of official government business. This form is usually used to reimburse employees for mileage when authorized to use a Privately Owned Vehicle (POV) for official government business. Since this form authorizes reimbursement, it is classified as a commitment, obligation, and expense in one transaction. This form requires an SDN with a DTC of RV.

c. DD Form 250, "Material Inspection and Receiving Report". The DD Form 250 is used to record the receipt of goods shipped by a commercial vendor to a government receiving point. For example, when a vendor ships goods to the government, the receiving point will verify receipt, inspect the goods to ensure they conform to the specifics of the contract, and complete the DD Form 250 when goods are determined acceptable. The purpose

of this form is to document the receipt of material and is therefore considered an expense document.

d. SF 1103, "U.S. Government Bill of Lading (GBL) International and Domestic Overseas Shipments". The GBL should be used solely for international shipments, including domestic offshore shipments. This form can be downloaded from the General Services Administration (GSA) Forms Library at <http://www.gsa.gov/forms>.

4. Syncada (also referred to as PowerTrack). The DoD has reengineered its transportation documentation and financial processes by employing a third-party payment tool-U.S. Bank and Visa's Syncada. Syncada is a system used to pay for and track commercial shipments. The system provides the capability for a single, commercial freight payment process for all modes of transportation. Syncada is an online transportation payment system that uses established TAC as the key to process payment transactions. More information on Syncada can be found at <http://www.syncada.com/PowerTrack.aspx> and in the SABRS Feeder System Manual referenced in APPENDIX C.

a. Syncada Features.

(1) Collaboratively store shipment, catalog, buyers, sellers, and pricing information

(2) Provides access for automated review of each invoice before payment is made

(3) Provides TMO will real time visibility into operations, charges, and organizations that are citing their TAC code on transportation documents

(4) Allows for electronically submitted invoices by contracted carriers

(5) Allows for collaborative resolution of invoice transaction problems with the carrier

(6) Provides financial link via internal chart of accounts and fiscal information assigned to each TAC code

b. Syncada contains its own Chart of Accounts with the TAC being the key. Each TAC is loaded with a default SDN and appropriate LOA information. This table is maintained by I&L. This information is transmitted to SABRS and validates financial

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data elements against the SABRS Table 315 in order to post a COE transaction when shipments are made. The COE will appear on the daily update report with a system identification code of PWRTRACK.

c. Syncada User Roles. Syncada uses a workflow to route transactions through the various levels of approval prior to entry into SABRS. Segregation of duty assignments is built into the control environment to make sure that the requestor and approver are different personnel. This non-system control ensures proper assignment of fiscal codes in SABRS and Syncada tables, requests for transportation meets a bona fide need, and errors are corrected in a timely manner for re-induction into the process.

d. Audit Readiness. Key process and management control point checks are:

(1) Ensuring data elements assigned to the unit/command TAC are loaded in the Syncada chart of accounts correctly.

(2) Ensuring data elements are correctly loaded in SABRS Table 315.

(3) Ensuring an appropriate obligation amount is posted in SABRS against the document number and data elements contained in the Syncada chart of accounts for transaction processing by TMOs external to the Marine Corps.

4012. Source Documentation. Documents are retained in accordance with volume 5, chapter 21, section 2101 of reference (h). Specifically: Keep original disbursing officer (DO) records and associated papers, and supporting documentation for 6-year and 3-months, consistent with guidance in schedule 6 of reference (h). A DO or designated settlement official may, on a case-by-case basis, decide to keep records for a longer period to complete reconciliation of payment or collection discrepancies, or for other purposes. Refer to the Source Document Matrix referenced in APPENDIX D of this Order for additional information.

4013. Financial Systems. The following financial systems are used throughout the procurement process. For more information on the feeders systems please refer to the SABRS Feeder System Manual referenced in APPENDIX C.

1. Purchase Request Builder (PRBuilder). PR Builder electronically generates and routes PRs.
2. Standard Procurement System (SPS). The program was created to bring the advantages of automation and standardization to the procurement process throughout the DoD.
3. Standard Accounting, Budgeting, and Reporting System (SABRS). SABRS is the Marine Corps' official accounting system and is designed to meet fiduciary standards established by the GAO, OMB, Treasury and the DoD. SABRS accounts and reports for all Marine Corps funds throughout the life of the appropriation. SABRS is owned by DFAS and the system infrastructure is housed by the DISA Defense Enterprise Computing Center(DECC) located in St. Louis, MO.
4. Global Combat Support System-Marine Corps (GCSS-MC). GCSS-MC is the automated information system that supports the retail (intermediate and consumer) level of USMC supply. GCSS-MC provides the retail supply accounting functions (i.e., stock replenishment, requirements determination, receipts, inventory, stock control, and asset visibility) for all USMC units. The system processes requisition and receipt using MILSTRIP transactions. The key to all requisitions processed from GCSS-MC into SABRS is the DoDAAC contained within the document number and the using unit's JON entered in the requisition. GCSS-MC replaced the legacy supply information system, Supported Activities Supply System (SASSY).

a. The system gives the Marines a single point-of-entry for all requests for products and services, integrates data, and provides greater access to near-real-time, accurate information up and down the logistics chain. With greater asset visibility and improved access to timely, reliable information, GCSS-MC enables commanders to make faster, better-informed decisions. Key performance objectives are reduced customer wait time, improved logistics response time, and decreased dependence on forward-positioned stocks.

b. GCSS-MC uses two different methods to process transactions into SABRS:

(1) Free Issue from Stock - Item is currently within the SMU inventory and is issued to the requesting unit. This transaction does not have an impact in SABRS on the unit's direct funding.

(2) Not In-stock, Passed to Source of Supply Item Manager - Item is not in the inventory at the SMU; the item is ordered through the MILS process.

5. Wide Area Workflow (WAWF). A secure, web-based system for electronic invoicing, RA. It provides the technology for government contractors and authorized DoD personnel to generate, capture, and process receipt and payment-related documentation, via an interactive Web-based application. WAWF provides a unidirectional input to SABRS utilizing Secure File Transfer Protocol (SFTP). WAWF does not receive data/information from SABRS.

6. Mechanization of Contract Administration Services (MOCAS). Contract entitlement system that processes a significant dollar volume of transactions for all major DoD Components that are typically high-dollar value, complex and multiple year actions. MOCAS allows utilization of data processing equipment and high speed digital data transmission devices permitting a greater degree of automation in the technical specialties of procurement and contract administration. MOCAS is used to track CLINs, amounts invoiced, and related RA of assets and/or supplies, as well as services. MOCAS uses Electronic Data Interchange (EDI) for receipt and storage of commercial invoices, requests for progress payment, and public/cost vouchers. SABRS does not interface with MOCAS.

7. Computerized Accounts Payable System-Windows (CAPS-W). CAPS-W is the system used to entitle contractual and miscellaneous commercial procurements. CAPS-W transmits vendor contractual information used for pre-validation of payment by DFAS. CAPS-W is owned by DFAS and is located in Indianapolis, IN.

8. Defense Cash Accountability System (DCAS). The single cash accountability system for the DoD linking financial activities under one seamless architecture. Cash accountability is the reporting of disbursements, reimbursements, deposits, and receipts to the Treasury, as well as other transactions, which would impact the Status of Funds (SoF).

9. Electronic Document Access (EDA). EDA is a web-based system that provides secure online access, storage, and retrieval of contracts, contract modifications, GBLs, DFAS Transactions for Others (E110), vouchers, and Contract Deficiency.

10. Purchase Card Automation System (PCAS). The credit card program PCAS automates transaction data updates in the appropriate subsystems in SABRS and provide program level information through the financial data elements assigned to each individual transaction. The APC coordinates with FM personnel to ensure proper construction and loading of the LOA and financial data elements required for the Marine Corps accounts when establishing AO and Card Holder accounts. PCAS is owned by the credit card program and is located in Roanoke, TX.

4014. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, implement, and maintain internal controls over financial reporting to achieve the following objectives:

1. Funds are available for all PRs.
2. All commitments are properly authorized.
3. Goods and services received are acceptable under the terms of the contract.
4. The Vendor's invoice is properly certified in WAWF.
5. An obligation is properly recorded in SABRS prior to reconciliation and disbursement.
6. Interest penalties will not be incurred due to exception items not corrected in a timely manner.
7. Commitments, obligations, expenses, and liquidations are properly reconciled with source business feeder systems.
8. Unauthorized commitments are ratified.
9. The contract is certified at contract closeout.
10. Obligation and liquidation amounts do not differ at contract closeout.
11. DD Form 1594, "Contract Completion Statement," is completed and properly submitted for review and approval at contract closeout.
12. Ensure documentation and record retention requirements are met. See paragraph 03012 of this Order for more information.

13. Ensure compliance of policies and procedures with OMB, DoD, and DON regulations, guidance, and other legislation are established, appropriately documented, and communicated to department or agency personnel.
14. Ensure purchase card program participants are knowledgeable of purchase card policies/procedures.
15. Ensure purchase card credit limits are established correctly.
16. Ensure communication of the agency's policy with respect to administrative and/or disciplinary actions to Card Holders, and other program participants, including when referral to an agency Office of Inspector General (IG) is appropriate and/or required.
17. Ensure key management officials and their responsibilities are identified for the charge card program. These officials include, but are not limited to, Agency/Organization Program Coordinator (A/OPC), AOs or other equivalent officials, and other accountable/billing officials.
18. Ensure the process for formal appointment of Card Holders and AOs are established.
19. Ensure agency training requirements are defined.
20. Ensure appropriate authorization controls are established.
21. Ensure the prospective Card Holders complete online training prior to application.
22. Ensure separation of duties among key functions such as making purchases, authorizing purchases and payments, certifying funding, and reviewing and auditing.
23. Ensure that property acquisitions take place only after the requester considers the agency's existing property inventory and available Federal excess property.
24. Ensure transactions are properly documented.
25. Ensure that agency-prescribed records are updated for any accountable and/or sensitive property acquired with purchase cards.

26. Ensure that Card Holders and those receiving property comply with agency-prescribed management controls over property.
27. Ensure proper internal controls exist for all purchases, including purchases under the micro-purchase threshold.
28. Ensure payments of unauthorized charges are prevented.
29. Ensure charge card managers are responsible for ensuring that payment obligations are paid on time and that all relevant Prompt Payment Act (PPA) requirements are met.
30. Ensure a process, with strict internal controls, is established to ensure that all charges and payments are timely, accurate, and appropriate.
31. Ensure that Card Holder statements of account and supporting documentation are reviewed and utilized to monitor delinquency, misuse, and other transaction activities.
32. Ensure available data (including the use of data mining if available) is reviewed to detect instances of delinquency, fraud, and misuse and identify trends and outliers in relevant indicators of charge card program performance.
33. Ensure maintenance of a policy that ensures that administrative and/or disciplinary actions are initiated in the event Card Holders or other program participants fail to meet their responsibilities with respect to appropriate use and timely payment of the charge card.
34. Ensure delinquency reports from charge card vendors are closely monitored.
35. Ensure the appropriate personnel (including A/OPC, AOs, or other accountable/billing officials) are contacted to ensure that delinquent payments are addressed and corrective actions are taken to prevent further occurrence.
36. Management controls, policies, and practices for ensuring appropriate charge card and convenience check usage and oversight of payment delinquencies, fraud, misuse, or abuse.
37. Ensure implementation of policies and practices of strategic sourcing is consistent.

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38. Recovery of charge cards and other documentation when employees terminate employment, and if applicable, when an employee moves to a different organization.

39. Ensure oversight of the establishment and maintenance of master file/official Card Holder records, including training, appointment, single and monthly purchase limits, and related records.

Chapter 5

Reimbursables

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MCO 7300.21B
18 MAY 2015

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Chapter 5

Reimbursables

5000. General. DoD activities may furnish the sale of material, work, and services to other DoD Components, Federal Agencies, or public sources on a reimbursable basis pursuant to public laws and DoD policies. There are two basic types of reimbursable orders: Economy Act/Non-Economy Act Orders and Project Orders, which can further be broken down into Automatic or Specific reimbursables. This chapter provides the basics of reimbursable orders to include: the purpose of issuing these agreements, the role of the Buyer and Seller, the basic rules on Economy Act/Non-Economy Act Orders and Project Orders, the purpose of Inter-Agency Agreements (IAs) and Inter-Service Support Agreements (ISSAs), and KO determinations and findings (D&F) in support of reimbursable orders. Further, this chapter outlines the procedures for commands to release a WRto another activity for goods and services, as well as the requirements for accepting reimbursable work as the Seller. Lastly, execution of the order, to include recording obligations, expenses, billing, status reporting, and closing the reimbursable account in SABRS. See the SABRS Reimbursable Order Desktop Procedures Manual referenced in APPENDIX C for additional information and guidance.

5001. Process Overview

1. A Buyer and a Seller are always involved with a reimbursable order. Both parties to the agreement have certain responsibilities as discussed below. It is imperative that both parties closely monitor reimbursable agreements throughout the period of performance to ensure estimates and execution remain on track. Any changes should be addressed quickly to minimize the risk of fund reversion, which represents opportunity lost for the Marine Corps.
2. See volume 11A, chapter 1 of reference (h) for more information on reimbursable orders, to include what can be charged to the customer.
3. The reimbursable process occurs when the requesting organization requires specific work or service that it cannot provide for internally, and another component or agency can provide the required services more economically or timely than contracting with a private source to meet required mission support.

4. The two activities in a reimbursable order are termed the Buyer (the activity that requests the goods or services) and the Seller (the activity that provides the goods or services to the buyer and bills the buyer to recoup the cost of the provided goods or services).

5002. Roles and Responsibilities. This section will discuss in detail the particular roles related within the reimbursable process. Refer to reference (m),, volume 11A, chapter 1 of reference (h), and reference (q) for additional information and guidance.

1. Enterprise Level. Consists of the following entities:

a. Deputy Commandant, Installations and Logistics (DC I&L). Responsible for the USMC support agreement process. Perreference (j), these responsibilities include:

(1) Develops policy for and provides USMC management of the support agreements program.

(2) Designates a USMC point of contact for issues pertaining to support agreements.

(3) Represents the USMC in inter-agency support agreement disputes between USMC Components and Federal Agencies in the event that the USMC Components involved cannot resolve the dispute.

(4) Establishes a forum for USMC Components to share information and seek assistance in the management of their support agreement programs.

b. Deputy Commandant, Programs and Resources (DC P&R). Serves as the funds distributor and ensures that the use of funds and bona fide needs are in accordance with appropriations laws (i.e., purpose, time, and amount). P&R are responsible for the recording of the anticipated reimbursements, and responsible for performing the accounting for reimbursable transactions.

2. Local Level. Consists of the following entities:

a. Seller (Performer). The Seller is the agency that accepts the Reimbursable Work Order (RWO) from the requesting activity. The Seller charges the reimbursable order for the required labor, material, travel, etc., necessary to fulfill the accepted agreement. The Seller then bills the Buyer to recover the amount of funds they have expensed in support of the Buyer. The Seller is responsible for maintaining a record of active support agreements, and retaining copies of expired reimbursable support agreements to support financial audits. They review and update DD Form 1144, "Support Agreement," as needed and provide such other forms as determined necessary. Ensure that at least one Support Agreement Manager (SAM) is available to each activity that enters into a support agreement in accordance with reference (j), and ensure the use of appropriate internal controls and oversight measures with respect to support agreements are followed.

b. Buyer (Grantor). The Buyer is the activity that requests the work or services. They will initiate the RWO and prepare the documentation. They will commit and obligate their funds, once the agreement is accepted, in anticipation of future billings from the Seller. The Buyer is ultimately responsible for reimbursing the Seller for the funds they have spent in support of the RWO.

5003. Types of Reimbursable Orders. There are two types of orders: Automatic (previously termed "Funded") and Specific (previously termed "Unfunded").

1. Automatic Orders. Automatic Orders take two forms: either Economy Act/Non-Economy Act Orders or Project Orders under Automatic Reimbursable Authority.

a. Economy Act/Non-Economy Act Orders. Authority to enter into these orders is derived from sections 1535 and 1536 of reference (c) and chapter 3 of reference (i). These orders normally referred to as WRs that are used for work or services of a normal or recurring nature (e.g., utility support, range support, administrative support, janitorial and trash removal support). Funds are normally authorized on a quarterly basis for annual recurring service support. These authorized funds are available for new obligations only during the current FY (e.g., routine services provided during FY 2015 must be funded by a 2015 appropriation and not funded using a prior year or future year funding). These orders will be closed after the FY ends and the

final billing for services through September is prepared, issued, and paid. Any errors in the system that cause an order to remain in the system in an open status past its given FY, will be documented and rectified prior to the first quarter of the following FY.

b. Project Orders. Project Orders are authorized under section 6307 of reference (e). A Project Order is a definite, specific, non-severable order issued for the production of material or for repair, maintenance, or overhaul of equipment. A Project Order is never issued for normal, recurring, or common support services (these types of services fall under the Economy Act). Further, volume 11A of reference (h) prohibits the issuance of Project Orders outside the DoD. Orders outside of DoD activities will be issued as Economy Act Orders or Non-Economy Act Orders. Project Orders normally contain a date or estimated completion time frame. This work may require carry over to subsequent FYs. Other considerations concerning Project Orders are:

(1) Ability to Perform. Project Orders should only be issued to those DoD activities capable of substantially performing the work ordered. Substantially means that the Project Order recipient (Seller) must have the capacity or capability to incur costs of not less than 51% of the total order with "in house" work force (cannot use these funds to go to a secondary party, such as a private contractor, to perform greater than 49% of the required work to complete the project). Prior to commands accepting a reimbursable order as the Seller of services, they must determine if they can provide the requested work or services within the designated period. This requires the Comptroller Office (the only office that should be accepting reimbursable orders from Buyers) to contact those departments/sections that will perform the work.

(2) Commencement of Work. Work on the Project Order must begin within 90 days of the acceptance of the order. If the Seller is unable to meet this condition, the order cannot be accepted. Beginning work on the Project Order can include job scheduling, material ordering, etc.

2. Specific Orders. Specific Orders are funded by upfront collections from private parties, to include MCCA, PPV housing, and from sales (e.g., lumber and timber, leases, etc.) to the public and foreign governments (e.g., financial management services). Details on collections and execution of Specific Orders are contained in the SABRS Reimbursable Order Desktop

Procedures Manual (see APPENDIX C), and in the Collection and Execution of Specific Orders document (see APPENDIX D).

a. Private Party. In accordance with volume 4, chapter 3 of reference (h), an advanced payment is required for orders from the public, including MCCA, state and local governments except for fuel, as the sale of petroleum products to the public is covered in fuel purchasing agreements. The order must be accompanied by an advance equivalent to the actual or estimated cost of goods and services. Written requests for an exception to the requirement for an advance must be submitted to the Office of the Under Secretary of Defense (OUSD) (Comptroller) and must be approved in advance of the order being accepted by the performing activity.

b. Specific Authority Based on Upfront Collections. The list of programs that fall under the Specific Authority based on upfront collections are: Agricultural Outlease Program, Recyclable Material Program, and Lumber and Timber Program, meal food costs and surcharges, family housing collections, and jury duty collections.

3. Marine Corps to Marine Corps Transactions. Marine Corps to Marine Corps reimbursable orders between appropriations with the same department code are prohibited without prior approval of HQMC P&R. Reimbursable orders with appropriations between different department codes are authorized (e.g., 17 and 97). The direct-cite funding process in SABRS should be used for reimbursable orders between commands that use the same appropriation. Instructions on the use of the direct-cite funding process can be found on the RFA website within the DC P&R portal.

5004. Support Agreements

1. For service support between the Buyer and Seller, a written agreement documented through an IA or ISSA executed in accordance with reference (j), "Support Agreements," will be established prior to the issuance of a work order. These agreements are entered into based on:

a. Inter-Service Support. DoD activities shall provide requested support to other DoD activities when the head of the requesting activity determines it would be in the best interest of the U.S. government, and the head of the supplying activity determines capabilities exist to provide support without jeopardizing assigned missions. These determinations must be approved in accordance with reference (j). If executed with the

DD Form 1144, "Support Agreement," no other approvals are required to comply with the Economy Act.

b. Intra-Governmental Support. DoD activities may enter into support agreements with non-DoD, Federal activities when funding is available to pay for the support, it is in the best interest of the U.S. government, the supplying activity is able to provide the support, the support cannot be provided as conveniently or cheaply by a commercial enterprise, and it does not conflict with any other agency's authority. These determinations must be approved in accordance with reference (m). If executed with the DD Form 1144, "Support Agreement," no other approvals are required to comply with the Economy Act or Non-Economy Act authorities.

2. Once the determination is made that support is required, coordination between the buying and selling activities is initiated and documented as an ISSA. An ISSA is a formal agreement that defines recurring services to be provided by one DoD Component to another DoD Component that details the support to be provided and defines the basis for calculating reimbursement charges for the delivered services. ISSAs are normally prepared by an Inter-Service Support Coordinator in cooperation with functional and Financial Managers and the DD Form 1144, "Support Agreement" is typically used to document ISSAs. The DD Form 1144, "Support Agreement" identifies the parties to the agreement, terms of the agreement, support to be provided, basis for calculating reimbursements for each category of support, and an estimate of projected reimbursements. Some basic rules governing the use of ISSAs are:

a. The basis of the reimbursement will be determined by the seller's calculation of all relevant costs, in accordance with DoD Comptroller policies and procedures disseminated by the DoD Component's HQ.

b. ISSAs must be reviewed when changing conditions or circumstances and may require substantial changes in scope. Minor changes may be made at any time by correcting the existing document or attaching a memorandum. ISSA costs should be reviewed annually to ensure continued accuracy of estimated reimbursement charges.

c. ISSA modifications and terminations should be made bilaterally and with sufficient advance notification to permit appropriate funding adjustments to be made during the budget formulation process.

d. No other approvals are required to comply with the Economy Act or Non-Economy Act authorities if executed with the DD Form 1144, "Support Agreement."

5005. Buyer Responsibilities. The Buyer is the activity that requests the work or services. They initiate the RWO and prepare the documentation. They commit and obligate their funds, once the order is accepted, in anticipation of future billings from the Seller. The Buyer is ultimately responsible for reimbursing the Seller for funds spent in support of the RWO. Prior to issuing a RWO, the Buyer must ensure a support agreement has been established with the Seller.

1. Common Forms Used to Request Reimbursables. There are three basic forms used to request reimbursable services. These forms can be issued either as an Economy Act Order, Non-Economy Act Order, or a Project Order.

a. NAVCOMPT Form 2275, "Order for Work and Services". The NAVCOMPT Form 2275 will be used when issuing a reimbursable order within DON.

b. DD Form 448, "Military Interdepartmental Purchase Request (MIPR)". Used when issuing a reimbursable to another DoD Component or Federal Agency.

c. Universal Order Format. Form is contained in volume 11A, chapter 1 of reference (h), and can be used in place of the DD Form 448, "MIPR," to request reimbursable work or services to another DoD Component or Federal Agency.

2. Reimbursable Buyer Concepts and Procedures. The basic steps accomplished to issue a reimbursable funding document from a command (acting as the Buyer) to another activity (acting as the Seller) for goods and services are as follows.

a. RM/PM Actions

(1) Determine the need for a reimbursable for work or services to support mission requirements and makes initial contact with the component or Federal Agency that will perform the work. Determine if there is an existing IA or ISSA covering the support, or if one needs to be created to support a recurring event.

(2) Negotiate the details of the service/work to be provided and the cost.

(3) Obtain the seller's trading partner information, mailing address, and point of contact to prepare the reimbursable order either by using the DD Form 448, "MIPR," or NAVCOMPT 2275, "Order for Work and Services" (if Navy activity).

(4) Trading partner information consists of:

(a) Trading Partner Number (TPN). For DoD activities, it is "DOD" plus the six-digit DoDAAC of the selling activity. The DoDAAC is registered with three key addresses that allow the mechanized supply systems to identify where to ship ordered items and where to process the bill for the goods ordered. These addresses are referred to as the TAC1, TAC2, and TAC3 addresses assigned to the specific DoDAAC. The addresses signify: TAC 1 - Unit's mailing address; TAC 2 - Unit's address for large shipments; and TAC 3 - Billing address. For example, HQMC is "DODM00027". For non-DoD selling activities, the TPN is a registered D&B Data Universal Numbering System (DUNS) number assigned exclusively to the activity.

(b) Department Regular. Selling activity's Department Code. For example, the DON is 017, the Army is 021, and the DoD is 097.

(c) Main Account. Selling activity's basic symbol that will be used to execute the order.

(d) Subhead. Selling activity's subhead that will be used to execute the order.

(e) Activity Location Code. For DoD activities, this is the Disbursing Officer Symbol that supports the selling activity. For example, HQMC is "00006102."

(f) Appropriation. Selling activity's appropriation that will be used to execute the order.

(5) Ensure funding is available (not committed) to cover the reimbursable request. Funding for Economy Act/Non-Economy Act Orders may be provided all up front or authorized on a quarterly basis (with each quarter an amendment authorizing the next quarters funding created and forwarded to the selling activity). Project Orders must be fully funded and have funds available at the time the request is created and issued.

(6) Create the NAVCOMPT Form 2275, "Order for Work and Services."

(a) Document Number will be in a 15-digit SDN format, with a DTC of "WR" for reimbursable WRs or "PO" for Project Orders.

(b) Must mark box for either Project Order or Economy Act Order.

(c) Must mark box for either Fixed Price or Cost Reimbursement.

(d) Description of Work area (Economy Act/Non-Economy Act Order) must provide the statement, "This order is issued as an Economy Act Order (or Services Acquisition Fund/Franchise Fund Order) for the following work provided during FYXX."

(e) Description of work must have details.

(f) If the reimbursable is issued in support of an ISSA or Memorandum of Agreement (MOA), cite the agreement number in the description field.

(g) Must have the statement, "Funds are not to be exceeded without consent of issuing command and amendment to this order issued and accepted."

(h) Must reflect trading partner information in the description field.

(i) Must contain the statement, "In accordance with Treasury Financial Manual (TFM) Volume I, Part 2, Chapter 4700, Appendix 10, and in support of DON audit readiness requirements, by accepting this reimbursable funding action, the performing agency agrees to deliver, upon request, detailed documentation supporting amounts billed and actual performance of work."

(7) Create the DD Form 448, "MIPR."

(a) Basically the same as covered for the NAVCOMPT Form 2275, except the DTC in the SDN will be "MP."

(b) Must specify if work is a Project Order, Economy Act Order, or a Non-Economy Act Order. It must establish that there is a bona fide need for the current FY with detailed work/services description in the remarks block in section 13 of the form.

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(8) Forward completed NAVCOMPT Form 2275, "Order for Work and Services," or DD Form 448, "MIPR," to the Comptroller Office.

(9) PM will prepare a D&F package that includes a performance based work statement, quality assurance plan, and other supporting documentation to submit for approval to the local RCO. In circumstances which requires the transfer of funds outside of the Marine Corps to another DoD Agency under the Economy Act, or outside of the DoD under the Non-Economy Act.

3. Comptroller Office Actions

a. Review the reimbursable order request for completeness and forward a copy of the DD Form 448, "MIPR," and the DD Form 448-2 to DFAS.

b. Ensure fiscal data is correct and that a clear description of requested work or services being requested is cited.

c. Review requested requirements to determine the appropriate authority (i.e., Economy Act, Non-Economy Act, or a Project Order). Ensure one of the following statements is added to the request form after the review and signed by the Comptroller.

(1) Economy Act/Non-Economy Act Order Statement. In accordance with section 1535 of reference (c), and in the case of this being an annual appropriation (see volume 11A of reference (h)), the ordering agency must deobligate this obligation at the end of the FY to the extent that the performing agency has not incurred an obligation; that is, (1) has not provided the requested item to the ordering agency, (2) has not performed the requested service, or (3) has not entered into a valid contract to provide the requested item or service to the ordering agency. Funds not obligated in accordance with the above are no longer available to the performing agency for new obligation purposes and must be returned to the ordering agency in a prompt manner.

(2) Project Order Statement. "I certify that the goods acquired under this agreement are legitimate, specific requirements representing a bona fide need of the FY in which this order is placed."

(a) If an ISSA has been executed in accordance with reference(w) using the required DD Form 1144, "Support Agreement," no further approvals are required. In the absence of an ISSA described above, forward the request to the command's Contracting

Office for preparation of a D&F in accordance with Subpart 17.503 of reference (f).

d. Review PM D&F package submissions for accounting data accuracy, purpose, time, and amount requirements.

e. A commitment is generated for the approved request. Ensure trading partner information is entered with the commitment.

f. Once acceptance of the reimbursable order is received from the Seller, an obligation is generated, and the acceptance document is uploaded into EDA for document retention.

4. KO Actions. In lieu of an ISSA executed in accordance with reference (w) with the required DD Form 1144, "Support Agreement."

a. Prior to a command issuing a reimbursable Economy Act/Non-Economy Act Order, the KO must evaluate the request to ensure it meets the requirements of chapters 1 and 2 of reference (f).

b. The KO, working directly with the Requirements Generator/PM, will create D&F based on the reimbursable work or services requested.

5. PM Actions Once The Reimbursable Request Is Approved And Forwarded To The Selling Activity. Establish a source document file for the reimbursable request. This file must contain a copy of the approved contracting office D&F.

6. PM Actions After Receiving Acceptance from the Seller For The Reimbursable Request

a. Once acceptance of the reimbursable order is received from the Seller, contact Comptroller in order to enter obligation into SABRS and upload acceptance document into EDA for document retention.

b. Review output from SABRS cycles for liquidation posting. This will occur from billings against the order by the seller. Liquidations or payments are based on work or services performed and provided by the selling activity. Unless specifically authorized by law, legislative action, or Presidential authorization, advance payments to non-DoD, Federal entities is unauthorized. Payments should only be made for delivered work or services.

c. Enter an expense into SABRS for the received work or services or equal to the Seller billed amount. The amount billed by the Seller should be confirmed by the PM to ensure the amount is valid and that no erroneous billing has occurred.

d. Monitor available balances and contact Seller when funds are either:

(1) Executing higher than planned for recurring services.

(2) Execution is below planned costs for services.

e. Review SoF when received from the Seller for potential changes up or down on funding.

f. During September ensure contact is made with the seller to determine their estimate for that months billing. Increase funding if required or recoup excess funding. This should be accomplished by the 10th of September.

g. Final liquidation should post during October. Notify Comptroller to close outstanding record in SABRS for expenses and ensure all fields equal (i.e., commitment, obligation, expense, and liquidation).

7. Areas of Concern with Issuing Reimbursable Orders

a. Scrutinize orders during the last quarter in terms of work to ensure the command is not banking funds.

b. Ensure continuous contact with the Seller is accomplished during the year.

c. Get September estimate as early as possible to either recoup funds or apply additional funds.

d. Do not "fire and forget" the orders. These are command funds that are obligated and the command's responsibility to monitor and manage.

e. Watch for significant scope increase in the work or services being performed. This may require going back through the original approval process depending on the dollar and increased work or services being requested.

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f. Care must be taken when issuing Project Orders or orders outside of DoD activities. These have a high chance of audit from external agencies to ensure compliance with appropriate use of reimbursable, adherence with regulations and appropriate approval process.

g. All reimbursable orders must be closed and archived in SABRS within three months of the previous fiscal year-end.

5006. Seller Responsibilities (When the Marine Corps is Performing as the Seller). The Seller is the agency that accepts the RWO from the requesting activity and charges the reimbursable order for the required labor, material, travel, etc., necessary to fulfill the accepted agreement. The Buyer is then billed to recover the amount of funds they have expensed in support of the Buyer.

1. Accepting Reimbursable Orders from Other Government Agencies.

a. Prior to commands accepting a reimbursable order as the Seller of services, they must determine if they can provide the requested work or services within the designated period of performance. This requires the Comptroller Office (the only office that should be accepting reimbursable orders from Buyers) to contact the PMs of departments/sections that will have to perform the work to:

(1) Inform them of the requested work or services and the unit/command requesting the services.

(2) That department/section must determine if they can provide the support within current resources and that they can perform during the requested period of support outlined in the Buyer's order.

b. If the request is a Project Order, commands must be able to:

(1) Begin work within 90 days of acceptance.

(2) Perform 51% or greater of the requested work with internal work force, and no more than 49% of the accepted order can be contracted out to a private concern to provide the work.

c. Accept or deny the reimbursable request. If it is determined that the work or services can be performed, the command accepts the reimbursable order via notice to the Comptroller. The Comptroller will:

(1) Sign the acceptance block of the NAVCOMPT Form 2275, "Order for Work and Services."

(2) Create and sign a DD Form 448-2, "MIPR Acceptance Form."

(3) If accepted, and the original request was submitted with a DD Form 448, "MIPR," complete and forward back to the buying command a DD Form 448-2, "MIPR Acceptance Form." If the original reimbursable request was performed via a NAVCOMPT Form 2275, "Order for Work and Services," sign the acceptance block and forward a copy back to the Buyer.

(4) If denied, cite the reasons for denial and return to the requesting Buyer for action.

d. Returns original acceptance to the Buyer and retains copy of the request and acceptance within the command (normally the Comptroller Office) with copies to the activity aboard the command that will do the actual work or provide the requested service. Comptroller will then upload DD Form 448-2 into EDA under the role of the Seller

e. Reimbursable requests between Marine Corps commands within the same appropriation are prohibited. Reimbursable requests between Marine Corps commands for work or services should be done through the Direct Cite Process in SABRS, with the exception of labor allocation and non-O&M,MC appropriations.

f. Reimbursable requests from private parties must be accompanied by an advance payment. Under no circumstances should a request be approved or initiated without advance payment.

2. Recording Reimbursable Authority

a. Once the Automatic Order is accepted, a reimbursable record or profile must be created in the accounting system by the Comptroller before any work can begin. The designated accepting official is responsible for creating the reimbursable record in the accounting system. The record will contain the performers FY, BA/BSA where reimbursements will post, a unique RON to identify the Buyer's order, Buyer's trading partner information and

appropriation data. Further, a Reimbursable Source Code (RSC) must be assigned to the customer order.

b. Establishing the Private Party Reimbursable Profile in SABRS. The DIC of ADG will be used to generate a reimbursable profile for orders with advance payments. The RON will be a locally developed three-digit code to identify a specific private party. The RSC will be "6." The TPN will be the DUNS number of the private party (except for MCCS which will be the commands TPN number). The advance payment should be deposited accordingly:

(1) Create a Document Number. The example below shows the breakdown of a document number M0002715CV00001 where:

POSITION	CONTENT
1-6	Work Center Identifier (WCI)
7-8	Last two digits of the FY
9-10	Document Type Code (DTC)
11-15	Document Serial Number generated by SABRS when the reimbursable profile using DIC "ADG" is processed

Table 5-1.--Create a Document Number.

(2) Receive the Advance from the Private Party Customer. Advances from the private party will be sent to the command providing the support. Once the advance is received, the Comptroller Office will do the following (refer to Collection and Execution of Specific Orders in APPENDIX D for additional information and guidance on DD Form 1131, "Cash Collection Voucher"):

(a) Establish the reimbursable order in SABRS by recording an ADG record.

(b) Create the DD Form 1131, "Cash Collection Voucher" using the appropriate information from the established ADG record and other information and assign the fiscal codes of document number, LOA, and trading partner information.

(c) Mail or hand deliver the DD Form 1131 with the check, money order, etc. provided by the private party to local Finance Office (FO) or DFAS for processing and deposit.

(3) Execution. Execute the reimbursable up to the amount of the deposit using the reimbursable data elements that cites BEA/BESA of WP (for private party) or WM (for MCCS activities).

Cite the RON that was entered in the profile with the executing the data elements.

(4) Other Key Points. The key with private parties is to ensure enough deposit balance remains prior to allocating charges. Considering that most charges are utilities, having meters placed on the private party building is the better methodology for determining usage vice engineering estimates.

c. Reimbursable Source Codes (RSCs) are used to identify sources of funding for both Automatic and Specific Orders. The RSC serves the purpose of ensuring proper recording of collections to the Treasury and appropriate postings to the GL accounts in the accounting system. See the RSC Matrix (APPENDIX D) for the proper selection and assignment of the appropriate RSC.

d. The RBC is a one-digit, alpha/numeric code assigned to customer profile to identify the authorized funding with a specific line of appropriation data cited the accepted reimbursable order. Further, the RBC can be used to segregate funding to different managers within a command that will be executing a segment of the order.

3. Reimbursable Execution Fiscal Codes

a. The key fiscal codes that must be entered into SABRS to identify charges as reimbursable and identify a specific customer order being executed are the RON and RBC. If these codes are not entered with source documents into SABRS, the charges will be considered direct to the command's OPBUD and no system-generated reimbursable billing will be created.

b. For standardization of reimbursable order collection, the following BEA codes will be used for recording reimbursable execution:

BEA	DESCRIPTION
WF	DoD-Funded WR
WG	Other Government-Funded WR
WM	Reimbursable From MCCS
WP	Private Party Reimbursable
WU	Unfunded Reimbursable Programs
WH	Family Housing

Table 5-2.--Reimbursable BEA Codes.

c. The BESA will be one of the standard BESAs assigned to the command for normal command funding execution.

d. The CACs used for executing reimbursable orders are identified in the SABRS Financial Codes Manual (APPENDIX C) as Reimbursable CACs.

4. Executing Accepted Reimbursable Order

a. Based on the ISSA, MOA or specific requirements of support contained in the accepted reimbursable order, execution will be accomplished through either direct citing the reimbursable fiscal codes on a source document or through transferring costs to the customer order via the on-line allocation process.

b. The RON assigned to the order will normally be cited on documents/systems used to purchase material, supply, and travel requirements that support the performance of the order. The RON should be cited for the following systems/processes in the fiscal data elements for:

(1) ServMart cards, new one made using new reimbursable JON data elements.

(2) GCPC - Alternate LOA for allocating charges in the credit card program.

(3) DTS (requires the administrator to create a different funding profile and cross-org where applicable).

(4) Full time civilian labor support where all the employee time and cost are applicable to the reimbursable customer. The default JON/data elements in DCPS should cite the appropriate BEA, RON, and RBC assigned to the customer order.

c. On-line allocation process is normally used to process part time labor charges, utilities, telephone, and other services such as trash removal and janitorial services that are applicable for supporting the accepted Buyer's order.

d. The intent of a reimbursable is to recoup the operating costs of the selling command in support of the buying command. This concept will be applied when commands determine standard rates to bill for services such as utilities, vehicle support, and other services. It will not be used to inappropriately augment obligational authority by overcharging the cost of provided goods and services, or to sustain obligation rates.

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5. Reimbursable Billing Process

a. Commands initially use their own funds to execute requirements in support of a Buyer's order. The command's appropriation is initially charged for the goods and services consumed by the reimbursable customer with a "reimbursement" to the appropriation provided when the customer LOA is charged.

b. The collection provides the Seller's appropriation with a credit to offset the initial outlay and transfers a charge to the Buyer's appropriation data provided on the reimbursable order.

c. The billing process in the accounting system is activated once an "expense" against the RON assigned to the customer order is entered into SABRS (either through the on-line process, system interface, or manually recorded expense transaction).

d. As with the bulk obligation/expense process, a detailed expense/ accrual process with supporting documentation must be developed and maintained to support the billing process. Proper supporting documentation and cost estimation methodologies and retention policies remain in effect as to the origin of all obligation and expense transactions regarding the reimbursable billing process.

e. In order to properly support reimbursable billings, a detailed explanation of the methodology used to calculate any expense estimates, including allocations, must be provided. The expenses and invoices that support the billings must also be maintained and available if requested by the customer as well as for audit purposes.

f. Monthly, the accounting system produces a bill based on the amount of recorded and previously unbilled expenses associated with the customer order. The billing process is automatic as long as the amount to be billed is less than the available authorized amount. If the amount exceeds this condition, the bill will require manual review and adjustment prior to release.

6. Determining September Reimbursable Charges

a. For normal monthly services charged to a Buyer's reimbursable order, determining how much will be included in their final September billing is critical. This amount will be determined by 3 September with notification to the Buyer of the September billing amount. This requirement is in place to:

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(1) Determine in a timely manner if additional resources are required from the buyer to cover service costs that are above current available funding.

(2) Inform the Buyer of any amounts that are excess/not executed for their de-obligation and reuse prior to the FY expiring.

(3) Allow commands to determine what direct obligation estimate is required on their records for service costs of September for utilities, telephone, and other services. Command obligation estimates must take into account the amount they will recover from customers through reimbursable billings.

b. Estimating Services. To estimate the amount that will be billed for services in September, commands will use the amounts billed in July (or an executed month that from historical analysis best represents September costs) for: utilities, telephone, trash removal, janitorial and other services, and garrison mobile equipment support.

c. Estimating Material Support. To estimate fuel, SERVMART CARD , and GCPC support for September, average the actual cost of materials charged for the first 10 months of support.

d. Estimating Labor Support. Full time assigned civilians supporting the Buyer order will be calculated on hourly wage times remaining normal scheduled work hours remaining in September. This amount will be accelerated for leave/holiday/fringe benefits in accordance with volume 11A, chapter 1 of reference (h). Part time civilian support will be calculated based on the average hours worked for the first 10 months of support and accelerated in accordance with volume 11A of reference (h).

e. Temporary Assigned Duty (TAD). TAD costs will be calculated based on orders processed into DTS or SABRS prior to 1 September that have not yet been executed (travel is during the month of September). Customers will be informed to cite their own appropriation data (i.e., direct cite) on any order requirements not entered into DTS after the cutoff date.

f. Total September Estimate. Commands will add the calculated amounts from the above paragraphs 05006.b through 05006.e. This amount will be the amount that will be billed for September. Customers will be informed of this cost no later than 3 September. Once calculated and the customer informed of the cost, commands will not change the amount.

g. Closing Reimbursable Accounts When Marine Corps is Seller. Reimbursable accounts for services will be closed no later than the end of the first quarter of the new FY. Some accounts stay open due to outstanding obligations where items have not been received or construction documents have not been finalized. All private party accounts will be closed out by the end of the first quarter of the new FY. Closing the account is based on:

(1) Final billing for September is collected.

h. Private party reimbursable orders with advance payments - RSC 6:

(1) Estimate and record September charges in SABRS immediately.

(2) Coordinate with DFAS-CL and the customer to return unearned revenue (collections in excess of obligations) back to the customer (This will result in a check to the customer) immediately.

(3) Unearned Revenue must be reducing to zero immediately.

i. Private party reimbursable orders without advance payments - RSC 6 (Primarily Housing PPV):

(1) To comply with Federal Financial Management Improvement Act (FFMIA) requirements, SABRS will not allow obligations to be recorded in excess of collections received for reimbursable orders with RSC

j. Funded reimbursable orders - RSCs 1,3,6,8,A,E:

(1) Estimate and record charges in SABRS immediately.

(2) Return unused authority back to the customer and ensure appropriate supporting documentation is maintained to support this action. It's not necessary to have customer acceptance prior to reducing the authority amount in SABRS to match the obligation amount.

(3) Reimbursable available balance must be zero immediately.

(4) For Marine Corps to Marine Corps reimbursable orders, both the Buyer and Seller obligation amounts must match.

Failure may result in direct reverted funds (Buyer side).

k. Unfunded reimbursable orders - RSCs 5, 7, 9:

(1) Follow direct funding execution guidance and ensure all obligations are recorded in SABRS immediately.

(2) Coordinate with DFAS-CL to transfer collections in excess of liquidations for appropriations to cancel on 1 October to the Treasury Miscellaneous Receipt account.

l. Active File record(s) have to migrate to the completed file in SABRS before a RON can be "completely" closed.

7. Closing reimbursable accounts in a timely manner is critical for accurate financial statement reporting. Unequal and unclosed accounts can impact the balances reported in the accounts receivable and funds sources from other activities accounts. Further, as long as these accounts remain open in SABRS, commands are required to review outstanding balances and report completion actions during TARs.

8. Reimbursable accounts are closed and are archived only when there is no uncommitted and unobligated balance and the authorization is equal to the amounts of commitments, obligations, expenses, liquidations, billed amount, and collected amount all equal.

5007. Source Documentation. Refer to the Source Document Matrix referenced in APPENDIX D of this Order for additional information.

1. According to volume 4, chapter 3 of reference (h), the Accounts Receivable Office, in conjunction with the commands, are to maintain documents supporting the establishment of the receivable. This should include the MIPR (DD Form 448), MIPR Acceptance (DD Form 448-2), and amendments, as well as the Order for Work and Services on the Public Side. The commands are required to send DFAS the documentation prior to the first billing.

2. Process Flow

a. The Performer (Marine Corps) sends DFAS-CL the MIPR/Acceptance.

b. The Grantor (Other Federal Agency) should send their accounting agency the MIPR/Acceptance.

c. The bill generates and DFAS-CL verifies that the Grantor LOA matches what is on the MIPR/Acceptance and that the Marine Corps has not obligated, expensed, or billed that reimbursable more than the amount agreed upon.

d. Once the bill is processed, the Grantor's agency verifies against their Accounting System, that the transaction will not create an over-obligation or unmatched transaction on their side.

3. Source Documents

a. DD Form 448, "MIPR". The DD Form 448 authorizes funds for an external command, outside the DON, to perform work or services for the requesting command. For example, if a Marine unit is training at an Army base, the Marine unit will send funds to the Army Base Comptroller with the DD Form 448 to fund work or services required by the Marine unit. An SDN with a DTC of MP is required on the document. The DD Form 448 is always a commitment document because it documents the request to the external command to perform the services required. The external command has the option of accepting or declining the WR.

b. DD Form 448-2, "Acceptance of MIPR". The DD Form 448-2 is the formal acceptance to the DD Form 448 used with other government agencies outside the DON. If the external agency determines they can perform the requested work or services, the external agency will complete the DD Form 448-2 and forward the document to the requesting activity. Receipt of this document from the performing activity constitutes an obligation of funds from the requesting unit's accounts for a CAT I MIPR. A contract is the obligating document for a CAT II MIPR. The performing activity can choose whether to accept the funds on a reimbursable (CAT I) or direct cite (CAT II) basis by checking Block 6a or 6b on the DD Form 448-2.

c. NAVCOMPT 2275, "Order for Work and Services". The NAVCOMPT 2275 is used to request reimbursable work or services from any organization element within the DON. The form authorizes funds for an external command to perform work or services for the requesting command. For example, a Marine unit is training at a Navy base. The training unit will send funds to the external fiscal office or Comptroller to perform work or services for the unit that is conducting the training. The

NAVCOMPT 2275 requires an SDN with a DTC of WR. Prior to the acceptance by the performing activity, the NAVCOMPT 2275 is considered a commitment document to the requestor. Once signed and accepted by the performing activity the form becomes an obligation document.

5008. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, implement, and maintain internal controls over financial reporting to achieve the following objectives:

1. Ensure compliance with reference (y), and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.
6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions such as making purchases, authorizing purchases, payments, certifying funding, reviewing and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.
12. Ensure funds are available for all PRs.
13. Ensure the Vendor's invoice is properly certified in WAWF.

14. Ensure obligation is properly recorded in SABRS prior to reconciliation and disbursement.
15. Ensure all commitments, obligations, expenses, and liquidation amounts are properly reconciled with source business feeder systems.
16. Ensure appropriate authorization controls are established.
17. Ensure transactions are properly documented. Ensure spending limits are strictly controlled. Ensure violations of these limits will be enforced.
18. Ensure compliance to all regulations regarding invoice payments.
19. Ensure final billing for September is collected.
20. Ensure all amounts for authorization, commitment, obligation, expense, and liquidation are equal.
21. Ensure no outstanding obligations on file.
22. Ensure billed and collected are equal.
23. Ensure that Active File record(s) migrate to the completed file in SABRS before a RON can be "completely" closed.
24. Ensure the supporting documentation for the IPAC billing is properly retained.

Chapter 6

Travel

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Chapter 6

Travel

6000. General. The Travel process applies to the movement of personnel throughout the Marine Corps. The Travel process for the Marine Corps and the funds made available for the movement of people encompass a myriad of processes within the community. The processes and systems used by the community interact with SABRS via electronic and/or manual means. For information regarding the Travel process, see volume 9, "Travel Policy" of reference (h), reference (i), and reference (s). Also refer to the SABRS Civilian Payroll Manual in APPENDIX C for more information and guidance.

6001. Process Overview. The Travel process applies to all personnel traveling under orders funded throughout the Marine Corps. This includes active duty military members, civilian employees, members of the active Reserve, dependents on official orders, and travelers from outside of the DoD on invitational travel authorizations. The Travel process begins with the generation of the information required for the creation of travel orders and ends with the traveler executing the travel and settling a claim at the completion of the travel.

1. A request is generated with the required information for the creation of orders. Once the request is approved, the orders are created. Flight arrangements are coordinated through the Commercial Travel Office (CTO) at the DMO. While on travel, it is the traveler's responsibility to retain all receipts in order to claim approved entitlements. Upon completion of travel, the traveler has five working days to submit a settlement claim to be paid for any expenses incurred during travel. The Disbursing Officer/DTS will process these claims and DFAS will make the payment via direct deposit. Individuals responsible for preparing the travel request/assignment orders should be guided in their performance by the policies and procedures contained in volume 9, chapter 5 of reference (h).

2. The Marine Corps Travel process consists of three sub-processes: PCS; TDY; and Group Travel. In all instances, it is the traveler's responsibility to retain all receipts in order to claim approved entitlements.

6002. Roles and Responsibilities. Travel functions are performed at the enterprise and local levels for PCS, TDY, and Group travel. Refer to chapter 1 of reference (s) for a list of roles and responsibilities that reside in DTS.

Enterprise Level

1. PCS Travel. PCS travel is included in this order for the purpose of directing the reconciliation of 1105 and 1108 appropriation transactions. The following responsibilities are performed at the HQ level for the reconciliation and error correction of individual transactions for the payment of all Marine Corps personnel.

a. HQMC M&RA

(1) MMEA (Manpower Management, Enlisted Assignments Branch). Monitors process orders/modifications for all PCS/PCA movements.

(2) Human Resources and Organizational Management Branch (HROM). Responsible for the guidance and procedures with regards to civilian PCS movements.

b. HQMC I&L

(1) DMO. Responsible for facilitating requested services in conjunction with PCS movements (e.g., HHGs, Do-It-Yourself (DIY) moves, temporary storage, etc.) in close coordination with the CTO.

c. HQMC P&R

(1) RFM. Obligates and funds Active Duty and Reserve (1105 and 1108) pay.

(2) RFF. Responsible for legalities of payments for entitlements, debt, waivers of debt for all Military and civilian personnel.

(3) RFA. Responsible for the oversight and reporting of abnormal conditions (e.g., NULO, OTO, etc.), and liaison with DFAS and other supporting elements regarding appropriate corrections. Also responsible for SABRS table management and the correction of systemic interface errors.

(a) Marine Corps Payroll Reconciliation Team (MCPRT). Responsible for performing the corrections of abnormal conditions and ULO management for active duty 1105 transactions.

(b) Marine Corps Reserve Activation Travel Section (MCRATS). Responsible for performing the corrections of abnormal conditions and ULO management for reserve duty transactions.

(4) RFK. Responsible for the overall efforts in support of audit readiness, internal control program testing, MCFEAT/FSMAO analysis, and inspection and training support.

d. DFAS. Responsible for the processing and posting of liquidations or payments scheduling and running cycles, correcting system problems, and assisting Marine Corps commands in resolving financial problems and issues.

2. TDY Travel (Includes Group Travel): DTS was established to meet the requirements for a single, paperless Transportation Management System (TMS) to be used by all DoD travelers. Refer to reference (s) for the operation and use of DTS. Commands are directed to utilize DTS for all travel within DTS' capabilities. The following responsible are performed at the HQ level for the reconciliation and error correction of individual transactions for the payment of all MC personnel.

a. HQMC M&RA

(1) MIF (Travel Management Section). Administer DTS by providing guidance, policies, procedures, and required training support. Also evaluate DTS to ensure compliance with the procedures and established standards.

b. HQMC I&L

(1) Logistics Distribution Branch (LPD). Functional advocate for transportation related policy and procedures.

(2) DMO. Provide liaison between the Defense Travel Management Office (DTMO) and Marine Corps DMO personnel concerning all CTO contractual matters. Provide managerial oversight (i.e., execute the duties of a Component Program Manager (CPM)) for all DTS Centrally Billed Accounts (CBAs) for which DMO is responsible.

c. HQMC P&R

(1) RFF. Advise and assist the program sponsors, HQMC staff offices, and Marine Corps field offices on financial regulations, Marine Corps pay, allowances, and travel entitlements as they relate to DTS. Liaise with the DFAS concerning finance, disbursing systems, and travel issues as they relate to DTS. RFF provides oversight and guidance for the operation of Disbursing and FOs. Further, RFF serves as the Marine Corps PM for the Government Travel Charge Card (GTCC) Program.

(2) RFA. Responsible for the oversight and reporting of abnormal conditions, and responsible for providing guidance and required command training support for financial information required by the Finance Defense Travel Administrator (FDTA) for the DTS LOAs. Provide assistance for DTS errors returned from the SABRS, maintenance of SABRS interface requirements, and liaise with DFAS and other supporting elements regarding appropriate corrections. Provide supplemental information requirements, agreements, modifications, and changes, to include guidance if field commands are impacted.

(3) RFK. Responsible for the overall efforts in support of audit readiness, internal control program testing, MCFEAT/FSMAO analysis, inspection and training support.

d. DFAS. Responsible for the processing and posting of liquidations or payments, scheduling and running cycles, correcting system problems, and assisting Marine Corps commands with resolving financial problems and issues.

Local Level

1. PCS Travel. Personnel at the local/regional level are required to comply with the local command's established policy on PCS transfers upon the receipt of assignment orders.

2. TDY Travel. Commands are directed to utilize DTS for all travel within DTS' capabilities. The following list of roles and responsibilities reside in DTS. Refer to reference (s) for the operation and use of DTS.

a. Traveler. DTS is designed for the traveler to make his or her own travel arrangements, route authorizations for approval, and submit vouchers (claims for reimbursement) for approval.

b. Self-Authorizing Official (SAO). Although not a DTS role, SAOs may be appointed at the commander's discretion. In lieu of blanket or repeat travel orders, individuals who previously traveled under these types of orders may be designated as SAO. SAOs may act as their own Authorizing Official and approve their own authorizations that do not contain a request for an advance or partial payment. They are not authorized to certify their own vouchers or local vouchers for payment.

c. Authorizing Officials and Certifying Officers (COs). Authorizing Officials for authorizations determine when travel is mission-essential and have the authority to authorize travel, obligate funds, and approve estimates of travel expenses. Authorizing Officials shall be an SNCO (E-6) or civilian (GS-7) or above, and be appointed in writing by the commander or their designated representatives using the DD Form 577, as detailed in the template in reference (s), Chapter 2, paragraph 4.

(1) Review and verify all vouchers have been completed, and that the required receipts are attached, in accordance with reference (s), Chapter 3, paragraph 14. Authorizing Officials may request additional documentation/receipts as necessary and work with servicing ODTAs to resolve problems at the local level.

d. Routing Official. ROs are supervisors and/or duty experts in specific areas that assist Authorizing Officials in the performance of their duties.

e. Organizational Defense Travel Administrator (ODTA). The ODTA is responsible for the daily administration of an assigned DTS organization (this may be at any Unit level). In accordance with DTS MCO, the ODTA is responsible for working the unsettled Travel report.

3. Financial Management Responsibilities. The below-mentioned duties are specifically related to execution by FM personnel. Refer to Table 2-1, "Role-Based Permissions" in reference (s) for proper segregation of duties. For all other non-FM related roles and responsibilities, refer to reference (s).

a. Finance Defense Travel Administrator (FDTA). This role is required. The FDTA may consist of one or more budget, resource management, or accounting and finance personnel who are responsible for managing and supporting the accounting/budgeting aspects of DTS within an assigned DTS organization (this may be

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at any unit level). Reference (s), Chapter 2 provides additional information about FDTA duties and responsibilities. FDTAs shall be appointed in writing by the appropriate commander or their designated representative using the DD form. FDTAs shall maintain a copy of their signed DD Form 577 in their office. A copy of the FDTA DD Form 577 shall be forwarded to their servicing Lead Defense Travel Administrator (LDTA). FDTAs at a minimum shall perform the following duties:

- (1) Create LOAs.
- (2) Establish budgets.
- (3) Maintain budgets and LOAs.
- (4) Ensure the amounts loaded into the DTS budgets are available in the official accounting system (SABRS).
- (5) Retrieve reports listed in reference (s), Chapter 6 (those listed as "FDTA Required") from the DTS website and ensure they are maintained for the current plus the previous year.
- (6) Assist Authorizing Official in funding requests for travel.
- (7) Manage interface errors between DTS and the SABRS.
- (8) In accordance with reference (s), Chapter 2, FDTAs are required to maintain a copy of approved letters of appointment for Authorizing Officials appointed as certifying officials for vouchers at the level of responsibility (assigned organization). To meet this requirement, FDTAs may maintain coordination with servicing LDTA and DO/FO to ensure access to DD Form 577 repository.
- (9) Ensure appropriate separation of duties to preclude errors, or attempts of fraud or embezzlement from going undetected (through coordination with LDTA).
- (10) In coordination with the Debt Management Monitor (DMM), shall ensure debt collection action is initiated to recover monies owed to the U.S. by travelers, per volume 9 of reference (h).
- (11) Complete the training requirements for this role as outlined in reference (s), Chapter 5.

4. Group Travel

a. Group Travel authorizations can be created in DTS. For group travel procedures, refer to the Document Processing Manual located in the DTS Reference Library

<http://www.defensetravel.dod.mil/site/reference.cfm>.

b. For guidance specific to ToP, refer to chapter 4 of this Order for further guidance.

5. The following DTS roles are optional and may be appointed at the commander's discretion to FM personnel.

a. Non-DTS Entry Agent (NDEA). NDEAs shall be appointed using the DD Form 577 signed by the appropriate commander or their designated representative and completed in accordance with the template in reference (s), Chapter 2, paragraph 4. A copy of the completed DD Form 577 shall be forwarded to their servicing LDTA.

(1) NDEAs are authorized to digitally sign DTS authorizations and T-Enter vouchers/local vouchers on behalf of travelers only for travelers without reasonable access to DTS. When using this process, NDEAs are responsible for accurately entering data provided by the traveler; however, they are not responsible for the validity of the data. When T-Entering a voucher, a manually prepared DD Form 1351-2, "Travel Voucher or Subvoucher" (for vouchers) or SF 1164 (for local vouchers) signed by the traveler shall be uploaded into the DTS voucher (along with appropriate receipts and additional supporting documentation) prior to applying the "T-Entered" stamp.

(2) Complete the training requirements for this role as outlined in reference (s), Chapter 5.

b. Debt Management Monitor (DMM). A DMM may be appointed within each activity that has the authority to approve official travel authorizations. Refer to reference (s), Chapter 9 for additional details. This role may be centralized at the commander's discretion. The DMM shall be appointed using the DD Form 577 signed by the appropriate commander or their designated representative and completed in accordance with the template in reference (s), Chapter 2, paragraph 4. DMMs shall maintain a copy of their signed DD Form 577 in their office. A copy of the DD Form 577 shall be forwarded to their servicing LDTA. DMMs shall perform the following duties as identified in DTS:

(1) Ensure the debt management process is monitored and required actions are completed in accordance with reference (s), Chapter 9.

(2) Ensure government funds are collected from the traveler when a travel settlement results in a debt to the government.

(3) Complete the training requirements for this role as outlined in reference (s), Chapter 5.

6003. Permanent Change of Station (PCS). Unlike the TDY and the Group Travel process, PCS orders are processed at the enterprise level for uniformed members through HQMC M&RA Assignment Monitor via the Web Order System, for civilians through HQMC AR Civilian Labor Process, and not authorized within DTS. Overall program management for this area is HQMC M&RA and HQMC P&R RFM for financial responsibilities for 1105 and 1108 appropriations. For more information regarding PCS travel for uniformed members, refer to reference (p). See Figure 6-1 below for the PCS Process Flow.

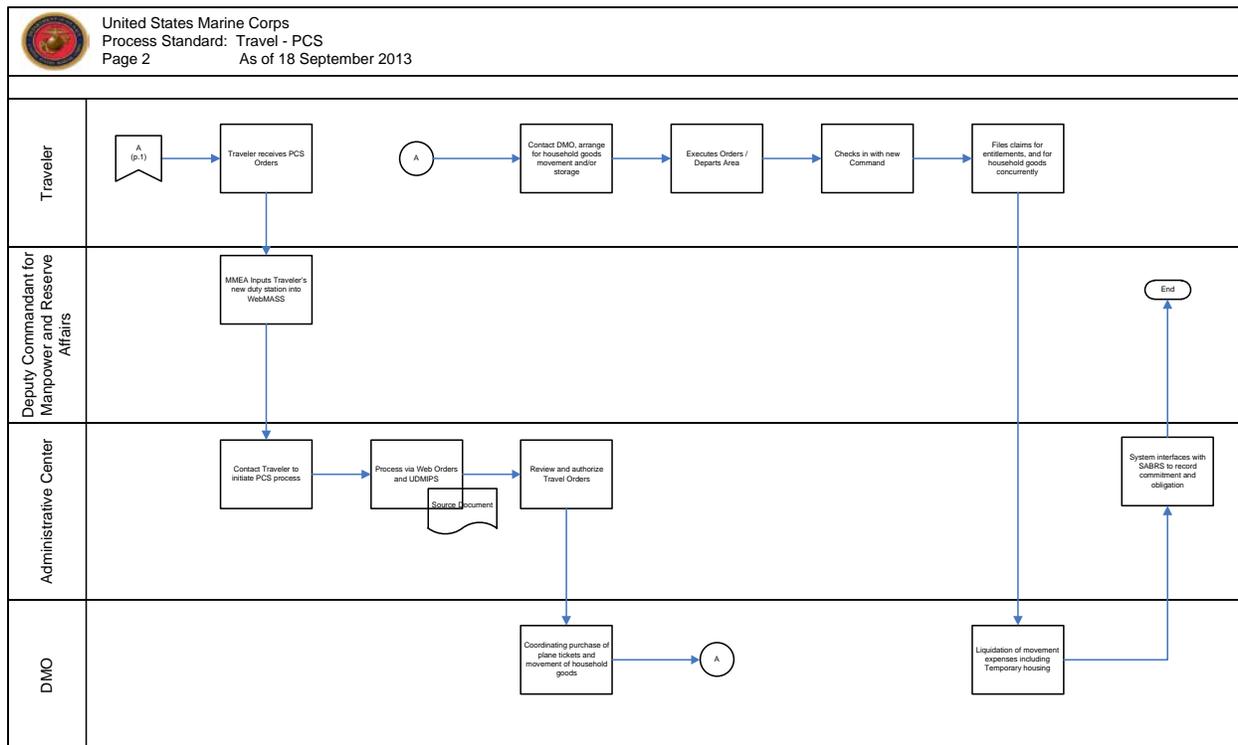


Figure 6-1.--Travel-PCS Flow.

6004. Temporary Duty (TDY) Station

1. Once the travel orders have been approved/authenticated by the Fund Manager/RM, orders are created and a Commitment and Obligation is recorded in SABRS. This is either through the DTS, SABRS One Travel Order Writing System (SAB1TRVL), or the Marine Reserve Order Writing System (MROWS) interface, or manually. TDY entitlements are systematically recorded based on the "proceed on or about (POA)" date and estimated completion date. SABRS/DTS uses the date travel began (POA) and the estimated date of completion (EDC) to calculate the number of days traveled. SABRS then divides the total estimated entitlement by the days traveled. This calculation processes on a weekly basis and is identified by the Source System Identifier Code (SYSID) of SABRS and the SABRS DIC of Expense Distribution Monitor. Commercial flight arrangements are coordinated through the CTO at the (DMO). See below for Figure 6-2,—"TDY Process Flow."

2. TDY Travel Advances Eliminated. This new policy results in all Marines and government civilians using an Individually Billed Account (IBA) GTCC for official travel related expenses.

3. Government employees, military or civilian, can be directed to perform TDY throughout their careers. TDY orders are generally limited to periods of less than 180 days. This restriction does not apply to the following: unit deployments, TDY extended for unforeseen reasons, and TDY to more than one location when the total exceeds six months. The CMC must provide approval before allowances accruing after the six-month limitation are paid. Refer to MARFORRES FM SOP for more information on how Reservists are processed

4. Unsupported Travel Types. This section is an overview of travel authorizations not currently processed in the DTS. Should DTS capabilities change, additional guidance will be provided.

a. Reserve Component (RC) Travel. All travel for RC personnel shall be coordinated with Marine Forces Reserve (MARFORRES) HQ and processed in accordance with their established business rules.

b. Classified Travel.

c. Permanent Duty Travel (PDT)/ PCS Orders.

d. Contractor Travel.

5. SAB1TRVL Waiver Process. SAB1TRVL is the old order writing and travel accounting sub-system within SABRS that has been replaced with the DoD-wide implementation of DTS. In some very specific cases like PCS, Reserve travel, DTS cannot be used as the travel order writer.

a. Deployed areas where the MC is not the executive agent, Marine Corps commands will utilize the travel system of the executive agent (i.e., DTS).

b. Commands must first be granted special approval from HQMC P&R RFA and RFF and M&RA MIF to continue the use of the SAB1TRVL in lieu of DTS (TDY, Group). Commands will submit the following package for review of process analysis by the RFK ICOFR Team.

(1) Current local command travel policy.

(2) Current local command documented travel process flow diagram.

(3) Full written justification for use to include viable alternatives.

(4) Identification of all stakeholders in the process, both internal and external to the local command.

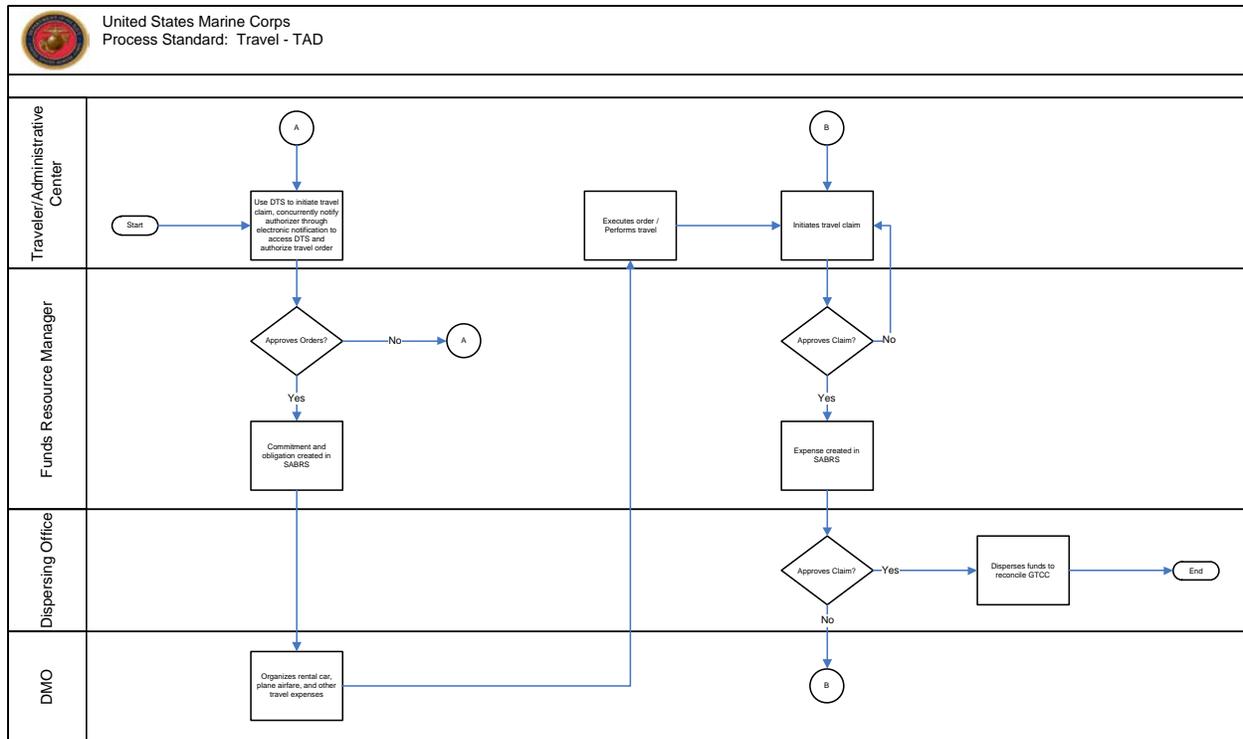


Figure 6-2.--TDY Process Flow.

6005. Group Travel. The simultaneous movement of groups of Marines to a common destination by a common means of transportation will often save money. Group Travel rates are substantially lower than individual rates. Group Travel follows the same process as TDY except for the additional step, which involves organizing rental cars, planes, and other Group Travel expenses, conducted by the DMO. Group Travel authorizations can be created in DTS. For Group Travel procedures, refer to the Document Processing Manual located in the DTS Reference Library <http://www.defensetravel.dod.mil/site/reference.cfm>. See Figure 6-3 below for the Group Travel Process Flow.

1. For guidance specific to ToP for non-DTS movements (e.g., training, rifle range, Professional Military Education (PME), etc.), refer to chapter 4 of this Order for further guidance.
2. Commanders endorsing orders are responsible for determining the status of onward travel for each segment of the journey. When personnel are to perform travel in a group of 10 or more persons, the senior Marine will be detailed to take charge.

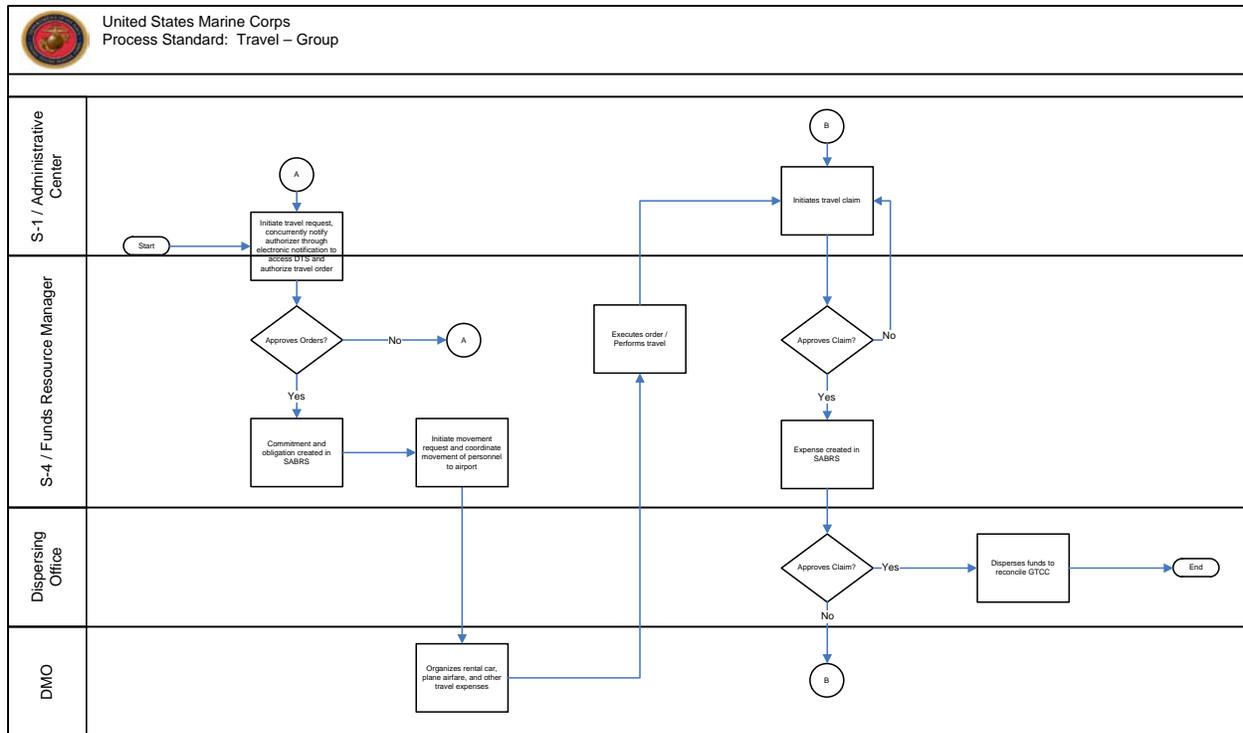


Figure 6-3.--Group Travel Flow.

6006. Source Documentation. Refer to the Source Document Matrix referenced in APPENDIX D of this Order for additional information.

1. DD Form 1610, "Request and Authorization of TDY Travel of DoD Personnel". This form will be used for request and authorization for travel of DoD personnel.

2. DD Form 1351-2, "Travel Voucher or Subvoucher". This form will be used as a travel voucher or subvoucher.

6007. Financial Systems. The following financial systems are used throughout the travel process, for more information on the feeders systems please refer to the SABRS Feeder System Manual (APPENDIX C).

1. Defense Travel System (DTS). Provides DoD travelers with a completely automated travel planning and reimbursement capability. Travelers using the DTS are able to generate travel authorizations, make trip reservations, and route travel requests for approval from their desktop workstations. The system is paperless and uses DoD Public Key Infrastructure (PKI) or Common Access Card certificates to digitally sign documents.

When a trip is complete, the traveler files a voucher that is electronically routed for approval and sent to the DFAS for payment. Users can upload or fax in receipts or other supporting documentation for attachment to their document. An EFT from DFAS to the traveler's bank account completes the process. The SABRS/DTS interface allows the same SDN to utilize multiple ACRNs in the event that a single traveler must use multiple funding sources. (TDY and Group)

2. Marine Reserve Order Writing System (MROWS). Automates the entire Reserve order writing procedure from the initial request for orders through the final settlement of those orders and includes the capability to track orders throughout the process. (TDY, Group)

3. Marine Corps Total Forces System (MCTFS). The integrated personnel and pay system supports both the Active and Reserve Component of the Marine Corps and personnel management for retired Marines. MCTFS maintains more than 500,000 records for pay and personnel management for the production of essential management reports. MCTFS provides input and receives output from SABRS utilizing File Transfer Protocol (FTP). (TDY, Group, PCS)

4. Marine Corps Permanent Duty Travel System (MCPDT). MCPDT is a computation module for the Marine Corps PCS orders that processes the following PCS move types: Accession Officer, Separations (Monitored Command Code W95 only), Training Rotational Operational, Unit, and Base Realignment and Closure (BRAC). (TDY, Group, PCS)

5. Standard Accounting, Budgeting, and Reporting System (SABRS). SABRS is the Marine Corps accounting system and is designed to meet fiduciary standards established by the GAO, OMB, the Treasury, and the DoD. SABRS accounts and reports for all USMC funds throughout the life of the appropriation. (TDY, Group, PCS)

6. WebMASS. WebMASS is the system utilized by the Manpower Section at HQMC for PCS. This system contains all of the slate billet and assignment information used by various monitors to manage their particular MOS. (PCS)

7. WebOrders. Web Orders is the orders delivery system for all orders generated in WebMASS. Web Orders data is stored in a separate database from the WebMASS data. Web Orders is accessed via the Internet by the HQ. (PCS)

8. Defense Cash Accountability System (DCAS). The single cash accountability system for the DoD linking financial activities under a seamless architecture. DCAS cancels the need to re-engineer multiple disparate systems by replacing the systems and building replacement capability and enhanced functionality in DCAS. Cash accountability is the reporting of disbursements, reimbursements, deposits, and receipts to the Treasury, as well as other transactions, which would impact the SoF to the Treasury. (TDY, Group, PCS)

6008. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, implement, and maintain internal controls over financial reporting to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.
6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions such as making purchases, authorizing purchases, payments, certifying funding, reviewing, and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.

12. Ensure appropriate authorization controls are established.
13. Ensure transactions are properly documented. Ensure spending limits are strictly controlled. Ensure violations of these limits will be enforced.
14. Ensure data elements assigned to the unit/command TAC are approved and loaded in the Syncada chart of accounts correctly.
15. Ensure data elements are correctly loaded in SABRS Table 315.
16. Ensure an appropriate obligation amount is posted in SABRS against the document number and data elements contained in the Syncada chart of accounts for transaction processing by DMO offices external to the Marine Corps.
17. Ensure that purchase orders, contracts, and travel orders are stated only for approved purposes.
18. Ensure that amounts obligated are accurately calculated and recorded.
19. Ensure that purchase orders, contracts, travel orders are entered accurately, completely, and in a timely manner.
20. Ensure that purchase orders, contracts, travel orders are developed with proper separation of duties.
21. Ensure that purchase orders, contracts, travel is authorized and approved with valid obligation reflected in SABRS.
22. Ensure travel was accomplished and a travel voucher is submitted for processing by authorized personnel only within the approved timeframe.
23. Ensure Authorizing Official is properly appointed.

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Civilian Labor

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Chapter 7

Civilian Labor

7000. General. Civilian labor is normally the largest cost within initial funding levels for bases, stations, and other supporting establishment activities. The costs associated with labor are broken down into the two major categories of personal entitlement and employer fringe benefit costs. Personal pay entitlements include the employee's hourly salary, overtime, shift differential, etc. and are categorized as OCC 11. Employer fringe benefits are the costs the government is legally obligated to provide, on the employee's behalf, for retirement or Social Security, health benefits, thrift savings, etc. and are categorized as OCC 12 (see section 83 of reference (x) for more information). This chapter explains the requirements for processing civilian labor. It is important to note that this is designed to be an automated process, and if all tables and correlating systems are set correctly, the only manual task is the processing of loan labor allocations. Additional information can be found in the SABRS Civilian Payroll Manual referenced in APPENDIX C.

7001. Process Overview. Civilian Pay is comprised of the salaries of DoD civilian employees. It is a main component of civilian compensation and is determined by grade and longevity. The DCPS processes Civilian Pay and interfaces with SABRS to populate the financial statements. The costs associated with Civilian Labor are comprised of Personnel Entitlements and Employer Fringe Benefit Costs.

1. Personnel payroll entitlements include the employee's hourly salary, overtime, shift differential, etc. These entitlements are categorized by OCC. Employer fringe benefits are the costs of the government's legal obligation to provide, on the employee's behalf, for retirement, Social Security, health benefits, thrift savings, etc. The three major civilian pay business processes reported and documented are:

a. Gains. Occur when a newly hired civilian must undergo several in-processing activities upon accepting employment with the Marine Corps. Civilian personnel information is entered into the Defense Civilian Personnel Data System (DCPDS) to establish an individual's record.

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b. Losses. Are the procedures by which a Marine Corps civilian employee departs Marine Corps service due to retirement, separation, death, termination or transfer to another non-Marine Corps activity.

c. Sustainment. Sustainment is the procedure by which the Marine Corps maintains a civilian employee's record while stationed at a command. Sustainment may include amending a pre-existing member's information in the DCPS due to transfers, promotions and reassignments. Once the join information is processed by the DCPS, via DCPDS, any type of change, update or correction to the existing information falls under the sustainment business event.

2. Standard Payroll Procedures. Civilian employees are paid based on a two week or bi-weekly basis. A standard pay period is 80 hours. A payroll cycle is executed every two weeks in which the DCPS Gross Pay File actual labor data is transmitted to and recorded in SABRS.

3. Accrual Procedure. Labor accrual is the method of recording estimated obligations in the accounting system prior to the posting of the actual payroll. Accruals are normally processed for pay periods that straddle the month, quarter, or end of the FY for the days that fall within the closing accounting period. For further information on accruals, refer to the SABRS Civilian Payroll Manual (APPENDIX C).

4. Reconciliation. Labor reconciliations are performed to assure accurate and reliable processing of data entries in SABRS from manual and automated processing. Reconciliations are also performed to identify account relationships and crosswalk issues that may exist. It is also part of the sustainment efforts.

7002. Roles and Responsibilities

1. Enterprise Level: This section describes various roles at the Enterprise level. For further details, refer to the SABRS Civilian Payroll Manual referenced in APPENDIX C.

a. Deputy Commandant, Manpower and Reserve Affairs (DC M&RA). Maintains table organization and Billet Identification Codes (BIC).

b. Human Resources and Organizational Management (HROM). Initiates personnel action through the Office of Civilian Human Resources (OCHR) Operation Centers. Completes and submits a SF

52, "Request for Personnel Action" form. Identifies the need for recruitment of a vacancy and enters the request into DCPDS. Receives and reviews a list of applicants. Selects qualified candidates and forwards the list to the RO/Supervisor.

2. Local Level: This section describes various roles at the Local level. For further details, refer to the SABRS Civilian Payroll Manual referenced in APPENDIX C.

a. Employee. Manually completes timesheets or enters exceptions into Standard Labor Data Collection and Distribution Application (SLDCADA). Completes and submits a request for leave or an approved absence form (either through email in SLDCADA or the official Office of Personnel Management (OPM) form - SF 71, "Request for Leave or Approved Absence") for payroll exceptions. Initiates personnel action through the Human Resources Service Center (HRSC).

b. Reviewing Official (RO)/Supervisor. Certifies time and attendance for employees. Receives and reviews award lists prior to approval or disapproval. Offers job to the selected candidate(s). Receives and reviews timesheets and ensures accuracy. Validates payroll exceptions data and determines if corrective action is required. Signs and approves the timesheet.

c. Timekeeper. Reviews timesheets for accuracy and inputs time and attendance data when necessary (e.g., exceptions, leave, overtime) into SLDCADA.

d. Customer Service Representative (CSR). Updates records in the DCPS.

e. Labor Analyst. Verifies the accurate posting of transactions to SABRS.

7003. Civilian Payroll Basics

1. Civilian employees are paid based on a two week or bi-weekly basis. The normal hours worked during the two weeks is 80 hours (standard work schedule is eight hours per day for five days (Monday through Friday) in each week (40 hours per week times two equals an 80 hour period).

2. The basic entitlement for the pay period is 80 hours worked times the hourly rate (hourly rate is based on the employees grade/schedule, step/band, and locality differential if applicable) equals an employee's gross wages (gross wage is the amount before taxes and other deductions are applied).

3. The basic entitlement can be changed during the pay period based on authorized work conditions. These include overtime, environmental work conditions, shift differential, etc. When these conditions occur, a labor exception is entered into the payroll system to process the hours the condition applies too, which results in a change to the gross wages for that period.

4. Other transactions, such as hours taken for annual or sick leave, are also entered into the payroll system. These types of transactions do not normally change the employee's basic entitlement, but are used to correctly maintain leave balances the employee has accrued.

7004. Establishing an Employee Record. The initial establishment of a civilian employee is a manpower/human resource function. Once management determines the requirement for an employee position the human resource office proceeds with the hiring process. This includes position announcement, application screening, monitoring management's selection, and officially hiring the employee. An employee profile is created in the DCPDS which contains the employee name, series hired under, pay schedule, grade/band, etc. and the cost center for tracking purposes. The employee profile information is sent to the DCPS to establish the employee record for pay purposes. The cost center in DCPDS populates the organization code field in DCPS for grouping employees.

7005. Defense Civilian Payroll System (DCPS). The DCPS is the DoD enterprise utilized for paying civilian employees. Once a record is established in DCPS via DCPDS the employing activity must go into DCPS and establish the default labor JON for the employee.

1. Default Labor JON. This number contains the data elements for the employee. These data elements are used to collect labor information within SABRS for cost accounting purposes. Refer to the SABRS Civilian Payroll Manual referenced in APPENDIX C for the default labor JON composition.

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2. Valid financial codes can be found in appropriate SABRS data element tables and in the SABRS Financial Codes Manual referenced in APPENDIX C.

7006. Labor Functions. There are three separate operations performed to record and report civilian labor cost: time and attendance, labor distribution, and payroll reconciliation.

1. Time and Attendance. This function accounts for an employee's time and is required to ensure that the employee is properly paid for their work efforts. Transactions in a normal period include employee leave (annual or sick), overtime worked, compensatory time taken, and premium pay such as hours worked in sandblasting, dirty work, etc. Time and attendance transactions are entered into either DCPS or SLDCADA. Pay and leave exceptions are entered using valid DCPS codes contained in SABRS with the hours applicable to the exception code for the pay period. Pay entitlements are calculated using these exception codes and the employee's hourly rate. If the exception is leave, the employees accrued leave balances (annual or sick) are adjusted for the hours taken. Collection of time and exceptions is normally done by time sheets produced from DCPS or SLDCADA and distributed based on paying activity and organization code. These sheets are certified (i.e., signed) by the appropriate supervisor of the employee ensuring that all worked hours, leave hours, and pay exceptions are true and correct for payroll processing. Time and attendance sheets/records will be maintained per this Order.

2. Labor Distribution. This function accounts for the cost of the employee's labor efforts, both direct compensation and employer fringe benefit costs, within SABRS. Cost distribution is accomplished by the following:

a. Employee Home Data Elements. Cost can be distributed automatically based on the Employee Home Data Elements contained in the DCPS file for the employee. This will happen if the Employee Home Data Elements contains valid fiscal codes (e.g., valid BEA, BESA, and FC). The SOCC will automatically populate based on pay type codes entered into DCPS or SLDCADA during the time and attendance function (the SOCC will equal the two-digit exception code). Leave costs will post to the data elements loaded in DCPS Leave Table based on the employee's assigned organization code.

b. Reimbursable Labor. Work performed for reimbursable customers or other base activities outside the employee's assigned activity. Reimbursable Labor can also be distributing cost with a function, such as facilities maintenance, to identify hours and cost associated with building types that were maintained during the pay period. Reimbursable Labor is recorded to fiscal codes that are different from the Employee Home Data Elements (e.g., cost distributed to a data element that contains a RON and billing code to charge cost to a customer order that is not part of the employee's home data elements). Reimbursable Labor distribution can be accomplished by:

(1) Entering a generic exception code (e.g., "RA" representing "regular") with associated hours and data elements when time and attendance information is recorded via DCPS or SLDCADA.

(2) Entering hours, cost, and fiscal data elements (i.e., data elements associated with cost moving from one data elements to another data element) via the online allocation process. Instructions for the online allocation process are referenced in APPENDIX C.

7007. SABRS Labor Tables. Detailed information regarding Civilian Labor tables are contained in SABRS Civilian Payroll Manual in APPENDIX C.

7008. System-Generated Labor Reports. Reports are generated for managing civilian labor postings and cycle reconciliation in INFOPAC or SMARTS. Detailed descriptions of these reports are contained in SABRS Civilian Payroll Manual referenced in APPENDIX C.

7009. Labor Accrual Process. Labor accrual is the process of recording obligations into the accounting system for days not covered by a paid payroll prior to the end of reporting cycle (primarily weekly and monthly) to report incurred labor obligations. An example of this is the end of a FY where the last paid pay period (and associated obligations) is 27 September. An accrual is run to obligate the labor cost for three days to ensure an estimated obligation is charged to the correct period. The accrual process is driven by tables in SABRS.

1. SABRS Central Tables contain the dates and pay periods that accruals will be run and when the accrual will be reversed (i.e., the accrual is reversed prior to the actual paid payroll posting with the exact obligations incurred for the pay period).

2. Local Table updated by the command. This table is the basis for amounts, OCC, FC, etc. being applied during the accrual process.

a. Estimating Employee Entitlement and Fringe. Proper use of this SABRS table allows the command to estimate the employee entitlement based on hourly wage and the employer portion of fringe benefit cost by FC, BEA, BESA, and reimbursable order (if applicable).

b. Entries for Entitlement and Fringe Benefits. The SABRS table for entitlement and fringe benefits could include information reflecting the JNLU, RON, RBC, or SIC.

c. The level of detail in SABRS, specifically by FC, BEA, and BESA, is necessary to accurately record labor cost in the accrual process against business processes and MCPCs for managerial cost accounting purposes and process cost analysis.

7010. Key Steps for Proper Labor Processing. Labor processing in SABRS is designed to be an automated process. If all tables and DCPS are set up correctly, the only required task is processing loan labor via allocations. The key steps for labor processing are as follows.

1. Ensure that the employee information (e.g., cost center (organization code field in DCPS and SABRS) and paying activity) is properly recorded in DCPDS. DCPDS information is used to create and update personnel information in DCPS.

2. When data element cost allocations are done, ensure that hours are included in the entry. Further, ensure that the financial data elements used to identify where the cost and hours are being moved from are correct.

7011. Federal Employees' Compensation Act (FECA)

1. FECA provides workers compensation for employment-related injuries and occupational diseases. FECA adjudicates new claims for benefits and manages ongoing cases; pays medical expenses and compensation benefits to injured workers and survivors; and

helps injured employees return to work when they are medically able to do so.

2. The Department of Labor (DOL) determines the actuarial liability based on statistics and predictive modeling. The DOL distributes the applicable actuarial liability to each DoD Agency, including the USMC. This is known as the FECA bill.

3. The FECA bill identifies Marine Corps units and personnel numbers receiving compensation payments. The bill is for actual amounts incurred from payments two years prior.

7012. Work Year and Personnel Costs (WYPC) Report

1. The WYPC Report is a bi-weekly labor report that details execution by direct employee cost, reimbursable cost, and fringe benefit cost. This report is used by higher HQ to compare actual labor costs incurred against the original program and budget amounts. It is critical that this report be reviewed by commands for accuracy.

2. The objectives of the WYPC Report are the same as the old Civilian Personnel Resource Reporting System (CPRRS). The WYPC Report provides a collection of hours and dollars by categories, such as straight time, overtime, pay plan, and other data from DCPS. The WYPC Report pulls payroll data directly from amounts processed and posted in DCPS.

7013. Financial Systems. The following financial systems are used throughout the contracting process, for more information on the feeders systems please refer to the SABRS Feeder System Manual referenced in APPENDIX C.

1. Standard Accounting, Budgeting, and Reporting System (SABRS). SABRS is the core accounting system and is designed to meet fiduciary standards established by the GAO, OMB, the Treasury, and the DoD. SABRS accounts and reports for all Marine Corps funds throughout the life of the appropriation.

2. Standard Labor Data Collection and Distribution Application (SLDCADA). A NAVSEA-developed time and attendance system that has been chosen as the DON standard. SLDCADA is a timekeeping system that allows for centralized or distributed input and provides the capability to track civilian, military, and contractor labor house against JONs for financial purposes, as well as hours against type hour codes (THCs) for pay purposes.

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3. Defense Civilian Payroll System (DCPS). Standard payroll system for use by all DoD activities paying civilian employees. The system maintains pay and leave entitlement records, deductions and withholdings, time and attendance data and other pertinent employee personnel data. It includes functions for debt collection, disbursing and collection, and reports processing and reconciliation.

4. Defense Civilian Personnel Data System (DCPDS). The DoD's human resources information system designed to support civilian personnel operations. It simplifies processing personnel actions, accessing civilian workforce information, and delivering civilian personnel services.

5. Defense Cash Accountability System (DCAS). The single cash accountability system for the DoD linking financial activities under one seamless architecture. Cash accountability is the reporting of disbursements, reimbursements, deposits, and receipts to the Treasury, as well as other transactions, which would impact the SoF to the Treasury.

7014. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, deploy, and implement internal controls to achieve the following objectives:

1. Policies and procedures compliant with OPM, DoD, and DON regulations, guidance, and other legislation are established, appropriately documented, and communicated to department or agency personnel.
2. Employment and personnel actions are valid and appropriately authorized in accordance with established laws, regulations, policies and procedures.
3. All authorized new hires, promotions and performance awards are recorded.
4. Position vacancies, promotions and performances awards are appropriately funded.
5. Employment and personnel actions are appropriately supported by relevant and complete documentation.
6. Employment and personnel documentation are appropriately retained.

7. Employment and personnel actions are recorded in the appropriate accounting and budgetary period.
8. Employment and personnel actions are recorded with the appropriate budgetary classifications.
9. Ensure that all information in personnel data file, Gross Pay file (DCPS), BEA information matches across all systems (i.e., SLDCADA, DCPDS, DCPS, Standard Accounting and Reporting System - Field Level (STARS-FL), SABRS).
10. Only appropriately authorized changes are made to the MER and any personnel related systems (i.e., SLDCADA, DCPDS, DCPS, STARS-FL, SABRS).
11. Only hire candidates qualified to perform the position duties are authorized for employment selection, and thus extended employment offers.
12. Only current employees qualified to receive them are authorized for promotions or performance awards.
13. Employees are paid accurately.
14. Paid employees exist and are current, valid, bona fide personnel of USMC.
15. Employment and personnel data is maintained on a current and pertinent basis.
16. Employment and personnel data is recorded accurately and completely.
17. Employee time and attendance is recorded accurately and in a timely manner.
18. Employee gains and losses (i.e., vacancies offer acceptances, separations, retirements) are recorded in a timely manner.
19. Employee leave accruals, usage and balances are recorded accurately and in a timely manner.
20. Employment and personnel records are adequately secured and appropriately safeguarded.

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21. Salaries and wages appropriately reflect business circumstances and economic conditions of compensation to civilian personnel at the USMC in accordance with the accounting policies being used and the Generally Accepted Accounting Principles (GAAP) "Realization Principle."

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Chapter 8

Cost Allocations

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Chapter 8

Cost Allocations

8000. General. An On-Line Allocation is the administrative movement of recorded costs from one specific financial accounting key to another. An allocation transaction allows a command to transfer spending amounts (e.g., commitment, obligation, expense, liquidation, and hours for labor) from a direct charge to a reimbursable customer charge (for billing purposes) or to move direct charges within the command from one set of management fiscal codes to another for cost accounting purposes. Each allocation transaction has a "From" and "To" record.

1. The "From" record identifies the LOA and other fiscal code elements (e.g., appropriation, funding function, BCN, OC, etc.) from which costs will be transferred. The "To" record identifies the fiscal code elements that the costs will be transferred to. See the SABRS Allocations Manual (APPENDIX C) for additional information.

8001. Process Overview

1. The SABRS On-Line Allocation process allows commands to transfer all costs (e.g., material, services, TDY, and labor) from one set of financial codes to another within the same FY, the same appropriation basic symbol for Dept-Code 017 (DON) and for Dept-Code 097 (DWCF), appropriation basic symbol, and subhead. SABRS only allows for allocations to change a SOCC within the same OCC except for labor where the changes can be made within the first two bytes of the OCC.

2. Commands do three types of allocations: Civilian Labor, Labor Correction Notice, and Material Services. Labor is generally associated with the distribution of Civilian Labor, specifically Reimbursable Labor. Labor Correction Notice applies to the multiple year labor process that prevents commands from fixing labor issues crossing FYs and generates a correction notice. Material Services are normally related to typical base operating functions (e.g., trash removal, garrison mobile equipment, etc.) shown in Table 8-1 below.

Allocation Type	DIC	Usage Examples
Civilian Labor	ALA	<ul style="list-style-type: none"> • Reimbursable Labor • Direct Compensation • Employer Fringe Benefit Costs
Labor Correction Notice	ALA	<ul style="list-style-type: none"> • Multiple Year Labor Process
Material Services	ALA	<ul style="list-style-type: none"> • Trash Removal • Garrison Mobile Transportation • Janitorial Services • Centralized Credit Card Purchases • Utilities • Telephone

Table 8-1.--Types of Allocations.

3. The use of Temporary Transactions to create spending amounts for allocation purposes is prohibited. All allocation transactions charging reimbursable customers must link back to the actual costs incurred and be supported by appropriate documentation (e.g., contracts, receiving reports, invoices, and payment vouchers). A SABRS Memo is required for all allocations performed On-Line and must list the allocation ID Number from the associated Allocation Approval Worksheet. This chapter provides specific guidance regarding the use of online allocations. Refer to Appendix C to access the SABRS Allocations Manual, which provides further information and instructions on the Allocation Approval Worksheet.

8002. Roles and Responsibilities

1. Enterprise Level. This section describes various Cost Allocation roles at the Enterprise level. For further details, refer to the SABRS Allocations Manual (APPENDIX C).

HQMC P&R

a. RFA A&R. Responsible for publishing guidance and overall management of the allocations process to include monitoring transactions that are in an abnormal status (e.g., NULO, ULO, UMD).

b. RFA SIDI. Responsible for SABRS table management system research and resolution of systemic issues between DCPDS and DCPS.

c. RFK. Responsible for the overall efforts in support of audit readiness, internal control program testing, MCFEAT/FSMAO analysis, inspection and training support.

2. Local Level

a. This section describes various Cost Allocation roles at the Local level. For further details, refer to the SABRS Allocations Manual in APPENDIX C.

b. Subordinate Element Commands. Comply with the content of this chapter for all allocation transactions since 1 October 2012. Contact HQMC RFA with any specific questions regarding the documenting of allocations.

8003. Civilian Labor. The Civilian Labor allocation function accounts for the cost of the employee's labor efforts, both direct compensation and employer fringe benefit costs, within SABRS. Cost allocation is accomplished by the following actions: Employee Home Data Elements and Reimbursable Labor. Refer the Civilian Labor chapter of this Order for more information.

8004. Labor Correction. The Multiple Year Labor Allocation Correction process allows the commands to make corrections or adjustments to their labor transactions when they cross over FYs. When an error is encountered during the commands labor reconciliation process, they must determine if the inaccuracy occurred in SABRS or DCPS. Only the command is able to assess whether a mistake has occurred, which will direct the commands on the procedures they will follow to correct the error. If the error resides within SABRS, then the command will follow the process laid out in the SABRS Allocations Manual (APPENDIX C) and the SABRS Spending and Correction Manual (APPENDIX C). If the error is within DCPS, then refer to SABRS Civilian Payroll Manual (APPENDIX C).

8005. Material Services. Material Services or non-labor charges will be redistributed through the Online Allocation process. This includes utilities, telephone, Garrison Mobile Transportation, and facilities maintenance services. Other types of services can be charged at a predetermined rate based on an engineering estimate (e.g., square footage of space occupied, number of people supported, etc.), which can include trash removal, janitorial services, and other types of support services.

1. Utilities/Telephone. Utility amounts are based on an accrual process. Utilities such as electricity and gas are calculated based on a standard commodity rate, determined either by direct meter reading or engineering estimate of usage, multiplied by the utility usage. Additionally, telephone service is based on the number of lines dedicated to the customer, type of line, and any long distance charges.

2. Garrison Mobile Transportation. Garrison Mobile Transportation services are for vehicles permanently assigned or checked out for use on an hourly, daily, or monthly rate developed by the owning command.

3. Facilities Maintenance. Facilities Maintenance can use the On-Line Allocation if: (1) the building is used to support a reimbursable customer on the command's property record (other than owned by MCCS Category C types that were purchased with Non-Appropriated Funds (NAF)), and (2) routine maintenance of the facility will never be charged to the customer.

a. Funding is already provided to the command in its Facilities, Sustainment, Restoration, and Modernization (FSRM) authorization to cover routine maintenance of all owned buildings and structures. However, minor modifications at the request of the customer may be charged to them as long as the modifications do not break the minor construction threshold of \$750K.

8006. Appropriate Allocations. It is appropriate to allocate funds when they are related to those tasks normally associated in support of base operations, centralized credit card purchases, and Civilian Labor. Allocations can be used to move summary level values between financial data elements that are not supported by an Active File record, and also when a command needs to move a portion of an invoice in order to reclassify or designate a value of changes.

1. The allocation process can be used to distribute the costs associated with the day-to-day functioning of base operations. These costs are normally billed to one command, but benefit several commands and the costs need to be allocated.
2. The command has the ability to re-allocate charges between the default data elements to an alternate in instances where credit card purchases are centralized, and purchases need to be redistributed between departments or divisions.
3. The Civilian Labor allocation function accounts for the cost of the employee's labor efforts, both direct compensation and employer fringe benefit costs, within SABRS.

Table 8-2 below provides guidance on when allocations are appropriate versus inappropriate.

Appropriate		Inappropriate	
Type	Example	Type	Example
Base Operations	Utilities, janitorial support, trash removal	Invoice Certification	WAWF, Manually (Vendor should instead resubmit invoice)
Consolidated Credit Card Purchases	Credit Card Program (e.g., CitiDirect billings)	Across Different BCNs*	When an Active File record should have been created
Civilian Labor	Includes labor efforts for direct compensation and fringe benefits		

* Unless it is Labor Costs

Table 8-2.--Allocations.

8007. Inappropriate Allocations. Certain allocations are considered inappropriate and will not be utilized by the commands. This includes any invoice that has been certified through WAWF or manually. Allocations impacting M&S type charges will be processed for data elements within or currently used by that command. An allocation will not be done only to change specific data elements of a record. Instead, data elements shall be changed via a Data Element Change (DEC) entry to the Active File record. Table 8-3 below lists some basic allocation rules that commands need to consider during the Allocation process.

The following elements may not be crossed in combination or individually.	
• Appropriations	• Dept. Code 097 Sub-Head
• Fiscal Year (FY)	• Shared Appropriations (i.e., DON appropriation 1319)
• Non-Labor OCCs	

Table 8-3.--Allocation Rules.

8008. Use of the Memorandum Field. This capability in SABRS allows the user to enter multiple memorandum notes impacting the Active File, which are permanently retained with the record in SABRS. Users will immediately cease the use of the National Stock Number (NSN) and PIIN fields for recording notes or remarks concerning the transaction, and use this field to record any pertinent information.

1. The Memorandum Field can be added in SABRS when the user is entering or reviewing an Active File record by using the <PF5 Key> (Add Memo) option on the record screen. Selecting this option will display a sub-screen with ten blank lines. Each line is capable of holding 70 typed characters (including spaces). SABRS also displays the system date and the User Identification Code (User-ID) that will be attached to the entered memorandum.

2. Memorandum note(s) previously entered to an active record can be reviewed when a user performs an Active File inquiry for a specific document. Once the record is inquired in SABRS, the user depresses the <PF9> Key (View Memo) to display all previously attached notes. Notes will display in system date order. Users are required to use the Memorandum field to the greatest extent possible for recording information about a transaction for historical tracking purposes.

3. The Memorandum field allows users to record and transmit additional information about the transaction, and will be used in the situations found in Table 8-4 below.

Use	Documented Notes
Tri-Annual Reviews	During TARs to place research notes and follow-up instructions pertaining to the transaction.
Issues for Higher HQ	When an issue arises concerning a transaction that will be forwarded to higher HQ for review or problem resolution. All research and other information performed by the user prior to forwarding the problem should be entered in the Memorandum field.
Anticipated Dates of Actions	To place anticipated dates of actions (such as estimated delivery date) or follow up actions pertaining to the transaction (such as anticipated date for contract modification, payment correction, other HQ actions anticipated completion dates, contact information, etc.).
Allocations	Detailed notes of allocation actions, to include the Allocation ID Number.

Table 8-4.--Memorandum Field Notes.

8009. Source Documentation. All allocation transactions charging reimbursable customers must link back to the actual costs incurred and be supported by appropriate documentation. To ensure all allocation transactions are fully documented to meet auditing standards, the Allocation Approval Worksheet will be completed and approved prior to an allocation record being processed into SABRS for all allocation transactions since 1 October 2012. The worksheet and supporting documentation must be maintained for the current FY plus five prior years, and be readily available upon request.

1. The command's Allocation Approval Worksheet and supporting documentation needs to answer the basic questions in Table 8-5. The use of a SABRS screen print alone does not meet the audit standard for source documentation.

Who	Identify which command is initiating the allocation process
What	Document what transactions are being allocated
When	Document when the transactions were allocated
Where	Identify which command(s) the allocations are being applied
Why	Provide a written documentation on the rationale or reason the allocation process was initiated

Table 8-5.--Allocation Process Supporting Documentation Questions.

2. In some cases the requirement to perform an allocation is driven by terms or conditions of an ISSA or Memorandum of Understanding (MOU). Further, some allocations are standard monthly charges (amount does not change from month to month during the FY) for services based on an engineering estimate or other standard rate. In those cases, a one-time creation for that FY of the required worksheet will meet the requirement for source documentation for audit purposes.

3. Reducing Cost Allocations. Commands can reduce and eliminate the requirement to process allocations by performing the procedures detailed in Table 8-6 on the following page.

Business Event	Corrective Actions
Business Feeder Systems	Allocations impacting reimbursable customers can be reduced or eliminated by ensuring that the reimbursable information pertaining to the customer is assigned to their LOA data in DTS for travel, assigned to their issued ServMart card, assigned to LOA in the credit card program for assigned purchase cards, and is used if contractual requirements are processed into PR Builder.
Utilities	If the usage cost for the commodity will be the same amount for each month in the current FY, only one work sheet will be required. Reference the allocation identification number in the Memo field each time the allocation is processed.
Labor	If an employee's cost is fully charged to a reimbursable customer, ensure that the default JON contains the reimbursable information in the DCPS (costs will automatically be assigned to the reimbursable customer for each payroll). If only certain hours of an employees work week are applicable to a reimbursable customer, process a pay exception of "RG" in SLDCADA and cite the appropriate reimbursable financial information in the JON section. This will process those hours and cost against the reimbursable customer without requiring an allocation record. For PPE allocations where the justification and cost computation are consistent across multiple records, "Various" may be used in the "From" field; this will allow a single allocation worksheet for multiple "From" and "To" sections.
Direct Labor	Allocations impacting direct labor for another Marine Corps activity can be eliminated by ensuring that the LOA data contained in the DCPDS and DCPS are properly updated to reflect that activity's LOA data.

Table 8-6.--Reducing/Eliminating Allocations Impacting Reimbursables.

8010. Financial Systems. The SABRS, DCPDS, and DCPS financial systems are used throughout the cost allocation process. For more information on the feeders systems please refer to the SABRS Feeder System Manual in APPENDIX C.

8011. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, deploy, and implement internal controls to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.
6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions such as making purchases, authorizing purchases, payments, certifying funding, reviewing and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.
12. Ensure appropriate authorization controls are established.
13. Ensure all allocation transactions are fully documented. The Allocation Approval Worksheet will be completed and approved prior to an allocation record being processed into SABRS for all allocation transactions. The use of a SABRS screen print alone does not meet the audit standard for source documentation as it relates to cost allocations.

Chapter 9

Payments and Collections

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Chapter 9

Payments and Collections

9000. General. An expenditure or disbursement is a payment from the Treasury to an individual, government agency, or private vendor for the delivery of legally ordered goods and services. Disbursements reduce the amount of the appropriation available for future payments. This chapter covers abnormal and problematic conditions relating to disbursements and those actions required by fund holders to resolve such transactions.

9001. Process Overview. The Payments and Collections process involves the Pre-validation and Liquidation sub-processes.

9002. Prompt Payment Act (PPA). This section prescribes the PPA policy for payments to vendors and contractors as mandated by reference (a), Part 1315. The section focuses on timely payment, determination of appropriate due dates, the penalty for late payment, required documentation, and RA dates. Reference (a) requires DoD Components to pay their bills on time, pay interest penalties when payments are made late, and take discounts only when payments are made by the discount date and the discount is economically justified. Guidance for implementing the PPA is found in reference (a), part 32.9 of reference (f) and part 232.9 of chapter 2 of reference (f). For definitions that apply in the implementation of the PPA, see part 1315.2 of reference (a) and paragraph 32.902 of reference (f).

1. Application. The PPA requires Federal Agencies to pay their bills on a timely basis, to pay interest penalties when payments are made late and to take economically justified discounts only when payments are made by the discount date. For the purposes of this chapter, days refer to calendar days unless stated differently. The payment terms ordinarily imposed by the PPA and its implementing regulations may be replaced by the payment terms imposed by another governmental authority, such as utility tariffs. The PPA applies to the following:

a. Procurement Contracts. The PPA applies to contracts for the procurement of goods or services awarded by Executive Agencies, unless the payments are exempt as identified in volume 10, chapter 7, section 070202 of reference (h).

b. Vendor Payments. All vendor payments and payments to persons (not employees), organizations, or business concerns engaged in a profession, trade, or business, and any not-for-profit entity operating as a vendor, unless exempt.

c. Utility Payments. All utility payments, including payments for telephone service, are subject to the PPA except those under paragraph 1351.1(b)(2) of reference (a). Where state, local, or foreign authorities impose generally applicable late payment rates for utility payments, those rates shall take precedence. In the absence of such rates, this part will apply.

2. Exemptions. Payments exempted from PPA coverage reference (c), 3901(a)(1) because they are not being made by an "agency" within the meaning of reference (q).

3. Proper Payment Requirements. The below are the documentation that are required in order to have a properly entitled payment.

a. Obligating Document. Previously addressed in earlier chapters.

b. Receiving Report. Provides evidence of the date goods are received, and it provides evidence of the date goods or services are accepted. Receiving reports are written or electronic evidence of receipt of goods or services by a government official. Receiving reports must meet the requirements of paragraph 1315.9(c) of reference (a). Receipt of goods ordinarily does not provide a basis for payment. Payments must be based upon acceptance of the goods or services as authenticated by the signature of the government official. Acceptance must occur as a condition of payment except in the following instances:

(1) Interim Payments on Cost-reimbursement Contracts for Services. Unless stated differently in the contract, the payment due date for interim payments under cost-reimbursement service contracts will be 14 calendar days after the date of receipt of a properly approved invoice; however, for purposes of computing late payment interest penalties that may apply, the due date for making interim payments on cost-reimbursement contracts for services is 30 calendar days after the date of receipt of a proper invoice (paragraph 32.904(f) of reference (f)). See paragraph 232.906 of chapter 2 of reference (f) for information concerning interim payments on cost-reimbursement contracts for services.

(2) The Federal Account Symbols and Titles (FAST) Payment Procedure. In limited situations, payment offices may use the contractor's submission of an invoice as certification of the delivery of supplies and as the basis for authorizing payment; and payment may be made within 15 calendar days after the receipt of the invoice. Follow-up is required to ensure receipt of documentation. Conditions that must exist to use these payment methods are outlined in paragraph 1315.6(a) of reference (a), part 13.4 of reference (f), part 213.4 of chapter 2 of reference (f), and volume 10, chapter 10 of reference (h).

(3) The agency receiving official should forward the receiving report, or other government documentation, to the designated payment office by the 5th working day after government acceptance or approval, unless other arrangements have been made.

(4) Government acceptance is normally deemed to occur constructively on the 7th day after the Contractor delivers supplies or performs services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or contractor compliance with a contract requirement. A longer acceptance period can be specified in the contract, in which case the date of the actual acceptance or the date on which such acceptance period ends shall substitute for the normally applied seventh day after the delivery date. The date on which the designated acceptance period ends is referred to as the constructive acceptance date. Constructive acceptance is used simply for the purposes of calculating PPA interest and applies to both destination acceptance and source acceptance contract terms.

c. Proper Invoice. Payment will be based on the receipt of a proper invoice and satisfactory contract performance. Unless otherwise stated in the contract, vendors/contractors will submit a proper invoice to request payment. For details on information required for a proper invoice, see paragraph 1315.9(b) of reference (a) and paragraph 32.905(b) of reference (f). As stated in paragraph 32.905.b.2 of reference (f), an interim payment request under a cost-reimbursement contract for services constitutes a proper invoice if it includes all of the information required by the contract. Note that payment requests under cost-reimbursement service contracts are deemed proper when they conform to the contract. The office designated by the purchase order, agreement, or contract to first receive and review invoices, hereafter referred as "the designated activity," will immediately annotate the receipt date and review

invoices within seven calendar days after receipt. If an invoice is improper, then the designated activity will return the invoice to the Vendor/Contractor.

(1) Notice of an Improper Invoice. When the designated activity returns an invoice as improper, they will provide details on why the invoice is being returned and why it is improper. The designated activity's request to the Vendor/Contractor for a corrected invoice will be clearly marked as such. Notification will be within seven calendar days of receipt of the invoice (five calendar days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats and oils; and three calendar days for meat, meat food, fish, and seafood products). See paragraph of 1315.4(g)(5) of reference (a) for additional guidance if improper invoices are not returned within seven calendar days. If a designated activity erroneously rejects a proper invoice, then the original invoice receipt date will be used to compute the payment due date and any interest penalties due. See sub-paragraph 32.906(b)(4) of reference (f) for additional guidance. In cases where the returned invoice offers a cost-effective discount, request that the Contractor change the date on the existing corrected invoice, if resubmitted, or issue a new invoice with the current date on it.

(2) Delivery Ticket as an Invoice. A delivery ticket may be used as an invoice. When used as an invoice, the delivery ticket must contain information required by reference (a) for an invoice. See paragraphs 1315.9 (b), (d), and (e) of reference (a) for additional guidance.

4. Emergency and Contingency Operations. When authorized, the Comptroller will make the determination of whether a contract and related payment will be subject to the requirements of part 32.9 of reference (f) and include the applicable payment clause in the contract accordingly. For payments that have been determined to be exempt from part 32.9 of reference (f), COs involved in supporting contingency operations will need the documents and information listed in Annex 1 of volume 10, chapter 8 of reference (h) so as to ensure the entitlement to payment is valid and certify and make a contract or vendor payment. Certification guidelines for these payments are contained in volume 10, chapter 8 of reference (h).

9003. Interest Penalties. Per volume 10, chapter 7 of reference (h), the PPA requires the U.S. government to pay interest if proper payments are not made on time. It is imperative to be proactive in ensuring that both obligations and expenses have been recorded in the accounting system in an accurate and timely manner. In addition, ensure that the correct coding structures have been cited on the initial requests for procurement.

1. Policy

a. In accordance with volume 10, chapter 7 of reference (h), PPA interest must be paid from the funds available for the administration of the program for which interest was incurred.

b. PPA interest payments will be charged to the operating funds of the military department or DoD Agency from which the invoice is associated. This is usually an O&M,MC appropriation.

c. PPA interest will not be charged to an appropriation that does not fund operating costs, such as procurement or MILPAY. Interest will not be charged to the Working Capital Fund (WCF) unless the purchase is for the express use of the WCF and not for a customer. Only Defense Industrial Fund Management System and Supply Management Activity transactions incurring interest will be charged to the WCF.

d. It is Marine Corps policy to tax commands directly for PPA interest deemed attributable to reasons not caused by DFAS.

2. Procedures

a. In accordance with volume 10, chapter 7 of reference (h), all PPA interest must be paid from the FY in which the interest accrues. For example, if interest began to accrue on 20 September 2010 and the interest penalty was not paid until 12 October 2010, 11 calendar days of interest (20 through 30 September 2010) will be charged to FY 2010 and 12 calendar days of interest (1 through 12 October 2010) will be charged to FY 2011.

b. The primary criteria to determine the Marine Corps command chargeable for PPA interest is the BCN of the LOA. If an invoice contains multi-funded LOAs, DFAS will charge the BCN deemed responsible for incurring the preponderance of the interest.

c. HQMC P&R RFE will centrally fund interest caused by DFAS or by other external DoD Agencies. Internal fund holders are assigned a Prompt Payment Interest SDN by MCFMOS at the beginning of each FY, which promotes accountability, and therefore reducing interest charges overall that are caused by the Marine Corps. The management of Prompt Payment Interest and Foreign Currency Fluctuation accounts has to date been detailed in their respective annual memorandums and applicable guidance references. These references either detail the use of an initial \$1 obligation or do not give specific obligating guidance. Going forward, the management of these processes requires the estimation of an initial obligation and subsequent management in accordance with the Bulk Obligation Policies and Procedures Manual (APPENDIX D).

d. To assist with the reduction of interest penalties, an Overage Report will be generated monthly by DFAS containing information from CAPS-W, MOCAS, and OnePay, with the totals compiled so as to obtain the data that is included in the OSD Metrics for the Marine Corps. This report lists the Contract Number, Invoice, Amount of Invoice, and age of the transaction, and is reconciled against the DFAS Prevail report, the Active and History Files in SABRS, along with the DNR reports and disseminated to fund holders for action.

e. Interest Penalties can also be identified locally by monitoring liquidations on the Daily Transaction Report from SMARTS/SABRS, the values reported in the monthly Performance Metrics and Indicators Report, or by pulling the voucher from EDA, which will show if interest was added to the payment.

f. Incurring interest penalties indicate an internal control weakness, with the common causes being late acceptance and receiving reports, and missing or improper CLIN obligations in SABRS. If a fund holder deems any penalties as erroneous or disputable, notify HQMC P&R MCFMOS for adjudication.

9004. Discounts Taken

1. A Discount is an invoice payment reduction offered by a vendor for early payment, and is usually written in the stipulations of the contract. If a fund holder is offered a discount by a vendor, whether stipulated in the contract or offered against an invoice, the obligation amount must be adjusted in SABRS to accept the discount, if economically justified, but only after the proper RA action has occurred.

2. A Discounts Taken report is generated monthly by DFAS, and contains information from CAPS-W and MOCAS and the totals are used to compile the data that is included in the OSD Metrics for the Marine Corps. Discounts are received back to contract SDN, and can be identified locally by monitoring liquidations on the Daily Transaction Report from SMARTS/SABRS, pulling the voucher from EDA, which will show if a discount was received.

3. To assist in the reduction of ULOs, HQMC RFA reconciles the information from DFAS to the ULO report for the all MRIs, then disseminates the results to the Fund Holders for action. For obligation decreases, a PR modification will be routed through Comptroller workflow only in PR Builder, with the contract and payment voucher maintained as source documentation. A contract modification is not required, and a manual entry in SABRS is prohibited. Fund Holders will use the appropriate business feed systems to the fullest extent possible.

9005. Pre-Validation Process. Pre-validation is defined in P.L. 100-496 Section 8137, which requires that disbursements be matched to specific obligations prior to liquidating the payment, and confirmed in the annual DoD Appropriation Act. Payments that are not pre-validated may result in improper payments and create UMDs or NULOs. While the DoD recognizes that reasonable capability may not exist to pre-validate all payments and provides for exemption in specific cases, only payments specifically exempted by law, regulation or policy issued by OUSD (Comptroller), DFAS Director or DD may be made without pre-validation.

1. Responsibilities

a. Pre-validation occurs between the entitlement activity preparing the payment (i.e., Fund Holder) and the accounting activity maintaining the official accounting record (i.e., DFAS) for the obligation to be liquidated.

b. Marine Corps Fund Holders are required to complete all pre-validation actions within three business calendar days of notification from DFAS. Fund Holders review the reports as they are posted on the RFA website in order to take immediate and appropriate action to correct abnormal conditions and implement process improvements to address the root cause.

c. Fund Holders coordinate with managers of automated information systems (e.g., DTS, WAWF - Miscellaneous Pay (WAWF-MP), GCSS-MC, PR Builder, etc.) that process Marine Corps

payments to ensure timely and accurate interface of SABRS obligation data. Fund Holders will coordinate with DFAS to ensure pre-validation of all other disbursement related transactions, which include but are not limited to, inter-governmental payments, accounting adjustments, military and Civilian Pay disbursements, and any other payments to a government or non-government entity. The RFA website link is: <https://ehqmc.usmc.mil/org/pr/fiscalops/accounting/Pages/default.aspx>. Select the Financial Improvement Initiative (FII) Application link once logged into the P&R homepage. Select the RFA Home tab located on the top-right corner to navigate the RFA homepage.

d. If a Marine Corps Fund Holder does not respond to a pre-validation request within three business calendar days, in accordance with volume 3, chapter 8 of reference (h), DFAS records an obligation against the SDN of the source transaction, based on source documentation citing the WCI, Basic Symbol, FY, Subhead, and a default BEA/BESA of UM/UM for the affected command.

(1) Delays in pre-validation of transactions result in increased interest charges to the Marine Corps for late payments. Commanders' OPBUDs will be subject to reductions by HQMC RFE to offset interest charges incurred as a result of pre-validation delays.

(2) The OPBUDs of commanders responsible for recording obligations are subject to budget reductions by HQMC RFE if actions attributed to Resource/Fund Managers cause pre-validation delays or problem disbursements.

(3) The OPBUDs of commanders responsible for monitoring disbursing and FOs are also subject to budget reductions by HQMC RFE if actions attributed to the disbursing and FOs cause pre-validation delays or problem disbursements result due to improper pre-validation.

2. Procedures. There are some exceptions to the DoD policy regarding the pre-validation process, and are based upon the payment types listed below. Exemptions are based on the capability of performing pre-validation without unsupportable manpower requirements or on unacceptable delays in releasing payment.

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- a. Contract Pay. All payments made through the MOCAS system will be subject to prevalidation for contracts awarded during or after 2005.
- b. Vendor Pay. Payments made through other commercial payment entitlement systems, and also include miscellaneous entitlement payments. Within the Vendor pay area, there are significant differences between billings for purchase card, Centrally Billed Travel Accounts, other financial institution payments under the GSA Smart Pay, and other commercial invoices. The GSA Smart Pay billings represent multiple separate obligations billed on the same invoice, while other commercial invoices are typically only single obligations. All vendor payments must be pre-validated prior to release for payment. CBA payments processed through the DTS are considered to be automatically pre-validated because of the built in authorization process and funds control checks. DTS CBA transactions require no further pre-validation prior to payment.
- c. Syncada. The pre-validation procedures for Syncada differ slightly from other bank card vendor payments. If the Fund Holder/RM doesn't respond in three calendar days, DFAS will use the alternate line of accounting (ALOA) provided by each customer, and posts the obligation as needed.
- d. Transportation. These are payments for manually submitted GBLs, meal tickets, government excess baggage tickets, and government transportation requests (GTRs). These payments are exempt from pre-validation; however, payments to vendors for non-temporary storage of HHGs are subject to pre-validation.
- e. Travel. These payments are reimbursements made to individuals for government-funded travel expenses. Marine Corps finance and disbursing officer are required to pre-validate all non-PCS travel settlements.
- f. Payroll. These are the MILPAY, military retiree pension, military pensioner survivor annuitant, and civilian compensation and related employer contributions for taxes, insurance, allotments, etc. These payments are exempt from pre-validation. Pre-validation is not required but encouraged for payroll if system capability exists.
- g. Intra-Governmental Reimbursements. These are transactions made within DFAS that initiate transfers between Treasury accounts. This includes transfers at the appropriation/subhead level. They typically are charges and

off-setting reimbursements for services provided by one DoD activity for another or distribution of costs, such as overhead and indirect expenses incurred in one appropriation and distributed to others, and include interfund transactions. The transactions are typically documented on SF 1080 Voucher for Transfers between Appropriations and/or Funds and SF 1081 Voucher and Schedule of Withdrawal and Credits, but may originate from other sources.

(1) The most commonly used method for processing reimbursements is through the IPAC System. Under IPAC, the charged activity records the transaction as reported for the transfer after assuring that the obligation to be liquidated is posted in a sufficient amount for the charge.

(2) Reimbursable transactions, to include interfund are currently exempt from pre-validation where automated pre-validation processes are not available. However, every effort will be made to pre-validate reimbursable transactions when possible.

9006. Liquidation Process

1. A liquidation or disbursement is a payment out of the Treasury to an individual, government agency, private vendor, or bank for the delivery of legally ordered goods and services. Disbursements reduce the amount of the appropriation available for future payments.

2. Resource/Fund Managers will commonly deal with two types of payments.

a. IDBs. Are the payments processed for all mechanized supply system purchases to include purchases made through GCSS-MC, SERVMART, WEX, and any MILS-type transaction.

b. Public Vouchers. Are payments made to private vendors, individuals, and banks for goods and services provided. Public voucher payments are made for purchases processed through DTS, the credit card program, Syncada, SPS, and WAWF-MP.

9007. Problem Disbursements. A problem disbursement consists of UMD, NULO, and In-Transit Disbursements.

1. UMD. Any payment that cannot be matched to a specific obligation.

2. NULO. A disbursement transaction that has been matched to the corresponding detail obligation, but the total disbursement exceeds the amount of the obligation.

3. In-Transit Disbursement. A disbursement in which the appropriate accounting office has yet to receive a complete payment package from a vendor to process the transaction.

4. Through trend analysis and continuous oversight, Marine Corps Fund Holders have a responsibility to adjust their business practices to minimize or eliminate problem disbursements. The ultimate goal is to review any business practice or identify any system change in order to reduce or eliminate the inflow of all new problem disbursement transactions.

9008. Unmatched Disbursements (UMDs). UMDs are primarily the responsibility of DFAS, but proper corrections to UMDs must be a coordinated effort between DFAS and the Fund Holder. Below is a list of reasons liquidations go unmatched and the means to correct them:

1. Improper Pre-validation. It is the responsibility of all paying, approving or certifying officials to ensure that:

- a. LOAs are properly cited on supporting documentation.
- b. A proper and sufficient obligation exists in the accounting system prior to submitting documents for payment.

2. Missing Obligations. No obligation exists for the UMD document number in the accounting system.

a. Identify the activity to which the charge belongs. Obtain and validate any documentation that supports the UMD transaction. The BCN of the LOA will be used to identify the chargeable activity.

b. If the UMD document number is supported with an obligation source document, post the obligation to the accounting system in accordance with volume 3, chapter 11 of reference (h).

c. If a commitment exists with no obligation, obtain the obligation source documentation and post the obligation.

d. If the UMD transaction is not supported with an obligation source document, request the voucher/bill from DFAS via EDA directly, or request the Comptroller to research EDA. If the UMD supporting documentation does not contain an obligation source document, the Comptroller shares the responsibility with DFAS to identify and avail the appropriate obligation source document for the UMD transaction.

e. Unrecorded obligations create abnormal conditions that undermine audit readiness. Fund holders will obligate the DFAS identified UMD transaction after 60 calendar days of posting to the UM/UM account. This is sufficient time to conduct appropriate research, obtain documentation from EDA and other sources, and submit discrepancy notices to DFAS for action.

f. DFAS will maintain the log for all pending corrective action transactions, and share in the oversight of these transactions with the Fund Holder until resolution is achieved.

3. Improper Construction of the Document Number and/or PIIN/CLIN. Using the accounting system reports inquiry options or SMARTS reports (e.g., ULO Report), attempt to identify discrepancies in the construction of the UMD document number. Since many activities use the cost code field for the last 12 digits of the SDN, this may also be useful to reconstruct the SDN.

4. Inactive Record. The UMD document number is valid, but the obligation resident within the accounting system is inactive. Validate the obligation against source documentation. If valid, reactivate the document number within the accounting system and make the appropriate changes.

5. Invalid LOA. The UMD document number is valid, but the accounting classification does not match the data elements of the obligation by department, FY, and basic symbol.

a. Corrective action will require that DFAS be notified so a Correction Notice can be processed to correct UMDs of this type.

b. If not readily available via electronic means (e.g., EDA), Marine Corps Comptrollers must provide an obligation source document that supports the change in appropriation data that differs from the disbursement.

6. System errors will be submitted to SABRSHelp (SABRSHelp@USMC.mil) immediately so that timely corrective action can be taken.

9009. Negative Unliquidated Obligations (NULOs). All Marine Corps NULOs, regardless of age, are the Comptroller's responsibility, pursuant to volume 3, chapter 11 of reference (h) on UMDs. For NULOs less than \$2,500 the Comptroller will immediately report these in SABRS and notify the appropriate fund holders. Missing obligations understates the Funds Balance with Treasury (FBWT), and creates abnormal conditions that undermine audit readiness. Fund holders will obligate the DFAS identified NULO transaction within 60 calendar days of posting, and no transactions will remain in a NULO status at the close of a FY. This is sufficient time to conduct appropriate research, obtain documentation from EDA and other sources, and submit discrepancy notices to DFAS for action. DFAS has been given the authority to increase the obligation of all NULOs less than \$2,500 after the first 30 calendar days based on the type of source documentation utilized to make payment. Below is a list of some primary reasons NULOs are created and the means for correcting them:

1. Incorrect Obligations. Compare the obligation against the source documentation to ensure that all adjustments have been posted to the accounting system.
2. IDBs. Check the status records for a price variance or quantity change. Since price variances may occur, the price billed may differ from the price obligated. Comptrollers must increase the obligation to match the total amount disbursed. Please note that all IDB transactions with a total dollar value less than \$250 must be increased.
3. Paid on Incorrect PIIN/CLIN/ACRN on Contract. Research the contract payments and validate. The Comptroller will redistribute the payments to the correct PIIN/CLIN/ACRN, and work with the Contracting Office (i.e., HQMC LB) to correct the source contract.
4. Travel NULOs
 - a. DTS. The total cost as reflected in the accounting system should always match the total found in DTS. If DTS does not match SABRS, there may have been other transportation or even settlement vouchers processed outside DTS to include

flights aboard AMC carriers. There may also be collections from the traveler that have not yet been processed.

b. Non-DTS

(1) Verification. Ensure the liquidations posted to the SDN apply to that specific traveler. Check all settlement vouchers and verify the obligation amount. Estimates for obligations may be conservative based on initial requirements and must be increased to match the total amount disbursed.

(2) Supplemental Payments. Per reference (i), travelers that are TAD for longer than thirty calendar days are required to submit supplemental travel claims every thirty calendar days, resulting in more than one settlement voucher. Supplemental payments may also include incorrectly paid initial settlements, pending modification of orders not received prior to initial settlement, or missing receipts for items over \$75. Verify supplemental payments and adjust the obligation accordingly.

(3) Modification of Orders. A modification to the orders may cause an increase to the liquidation amount. This is a manual process. Contact the travel order writer to obtain a copy of the modification and make appropriate changes to the obligation.

c. Fund Holder/Comptroller/HQMC Actions

(1) Notify DFAS of suspected erroneous payments when discovered and requests research.

(2) Provide any applicable documentation regarding the suspected debt, such as the MIPR or letter of agreement, invoices or statements, etc., to the appropriate DFAS-CL and DFAS, Columbus (DFAS-CO) Problem Disbursement Section Supervisor to support entry of the RRE into SABRS.

(3) Each Comptroller/Fund Holder maintains a control log of these overpayments.

(4) Record an obligation in SABRS to eliminate the NULO. In accordance with volume 3, chapter 11, paragraph 110501 of reference (h), Comptrollers will record the obligation in SABRS to eliminate the NULO after 60 calendar days of notice. No transactions will remain in a NULO status at the close of a FY. Any NULOs that have aged over 120 calendar days that appear on

the TAR and have not been submitted for dispute to DFAS, will be obligated by DFAS following each TAR period.

9010. Over-Aged Problem Disbursements

1. While reference (h) provides discretion in determining appropriate times for recording obligations to match problem disbursements, it is Marine Corps policy to record obligations in a timely manner to ensure compliance with section 1517 of reference (c), and other fiscal statutes governing the requirement to obligate sufficient funds to cover all outlays chargeable to the Marine Corps.

2. Consistent with the Marine Corps policy of recording obligations, the following order of priority will apply when resolving over-aged problem disbursements:

a. Closing FY. Obligations must be recorded in the accounting system no later than 30 June for problem disbursements chargeable to an appropriation that is about to be cancelled. The obligation must be recorded even if 120 calendar days have not elapsed following the date of disbursement.

b. Critically Aged. Transaction age is greater than 120 calendar days.

c. Over-Aged. Transaction age is between 91 to 120 calendar days. Obligations must be recorded in the accounting system no later than 30 June for problem disbursements chargeable to an appropriation that will close for new obligations on 30 SEP. DFAS will record obligations in SABRS for problem disbursements aged greater than 120 calendar days.

d. Aged. Transaction age is between 61 to 90 calendar days. Comptroller action to resend and resolve.

e. Current. Transaction age is between zero to 60 calendar days.

3. Deferring the recording of an obligation to resolve a problem disbursement for the purpose of avoiding an over obligation of an appropriation will not be allowed as it is improper and contrary to the Marine Corps Comptroller's responsibilities to investigate and report potential violations of the ADA.

9011. Duplicate or Erroneous Payments

1. Duplicate Postings Versus Duplicate Payments. Determine whether the payment was actually posted twice or truly paid twice. To make this determination, check the Disbursing Station Symbol Number (DSSN), voucher number, and amount; if they are the same, it is a duplicate posting. If any of the above fields are different, it is a duplicate payment. Duplicate or erroneous payments do not absolve the Fund Holder from recording the obligation properly and in a timely manner to match the disbursement in accordance with volume 3, chapter 11, section 1105 of reference (h). For the purpose of this Order, although all erroneous payments are improper payments, not all payments that are "improper" are "erroneous" for other purposes. For example, a disbursing officer who makes a duplicate payment or a payment to the wrong payee has made an "erroneous" payment. By law, such payments result in payee indebtedness to the U.S. government, and thus will be recovered from the payee. Similarly, inadequately documented payments may be "improper" for purposes of Improper Payment Information Act (IPIA) reporting but not "erroneous". For more detailed information, see volume 4, chapter 14, paragraph 140201 of reference (h).

2. Refunds Receivable (RREs). Erroneous payments create RREs, which are any payment to which the payee is not entitled (e.g., amounts due for items rejected or returned, overpayments to commercial concerns due to erroneous billings, incorrectly computed invoices or contract default, and amounts due for "due U.S." travel vouchers). The DIC "RRE" is used to record these receivables in SABRS. The responsibilities vary based on the type of debt/RREs. The two main types are contracts/vendor pay and individual debt.

a. Sources of RREs

(1) RREs will be recorded based on information provided by the source system/contact. Reconciliation between RREs recorded in SABRS and those reflected on source data reports will be reconciled on a monthly basis.

(2) RREs that result from a salary overpayment or a salary type adjustment (pay checkage) must be recorded in one of the pay or debt management systems. These types of RREs will not be recorded with an RRE. Instead, they will be recorded via DFAS-CL Departmental Accounting using a DIC of RRS based on data provided from the source system.

b. Types of Debt in Which RREs are Established

(1) Travel

(a) DTS Travel Debt

1. DTS is an automated travel system; creation of the travel request through collection is all done within DTS.

2. Occasionally a traveler incurs a travel-related debt because of: (1) an overpayment on a voucher where the traveler's entitlements are less than the amount paid by the government; (2) reimbursement for unauthorized travel expenses; and (3) a trip cancellation after a pre-trip non-Automated Teller Machine (ATM) advance and/or partial payments.

3. Once the due U.S. situation is identified, the process is then the responsibility of the unit's DMM.

4. The DMM tracks, verifies, and reconciles the travel document in DTS to SABRS through various reports and automated emails.

(b) SABRS (Manual) Travel Debt

1. A due U.S. situation arises in the same way as with DTS travel - the traveler received more money than they were entitled to for the trip.

2. Any entity (Disbursing, the Unit, or DFAS) can identify a due U.S. situation, although the discovery is most likely to be discovered by the Disbursing officer when they settle the travel claim.

3. If the unit identifies the overpayment, they create the RRE package, forward it to the local disbursing officer for collection, and notify DFAS-CL accounts receivable to establish an RRE.

4. The collection is then handled by the disbursing officer using their local non-standardized procedures.

(c) Contracts/Vendor Pay

1. Volume 10, chapter 18 of reference (h) is the main authority regarding the collection of vendor debt (non-individual pay).

2. Any entity can identify the overpayment/erroneous payment.

3. Whoever identifies the overpayment/erroneous payment will create the RRE package.

a. If the overpayment/erroneous payment is less than \$600, the entity will forward the package to the unit to write off.

b. If the overpayment/erroneous payment is more than \$600, the entity will forward the package to DFAS-CL Accounts Receivable.

4. Once DFAS-CL Accounts Receivable receives the overpayment/erroneous payment package (over \$600), they will review and verify all supporting documentation. When the review is complete, DFAS-CL Accounts Receivable will record the RRE in SABRS and forward the debt package to the correct entitlement location for due process and collection.

c. Comptroller/Fund Holder/HQMC Responsibilities

(1) Notifies DFAS of suspected erroneous payments when discovered and requests research.

(2) Provides, upon request, any applicable documentation regarding the suspected debt, such as the MIPR or letter of agreement, invoices or statements, etc., to the appropriate DFAS-CL and DFAS-CO Problem Disbursement Section Supervisor to support entry of the RRE into SABRS.

(3) Each Comptroller/Fund Holder maintains a control log of these overpayments.

(4) Records an obligation in SABRS to eliminate the NULO in accordance with volume 3, chapter 11, paragraph 110501 of reference (h).

d. Debt Management Monitor (DMM) Responsibilities

(1) Ensure the traveler has been served due process, or two notifications of the debt and an opportunity to repay the debt, generally within 30 calendar days.

(2) Provide additional instructions to the traveler on how to make payment.

(3) Provide instructions on the waiver/appeal process.

(4) Initiate payroll collection when required.

(5) Initiate Out-of-Service (OOS) debt processing when required.

(6) Facilitate accomplishment of the Post Payment Review (PPR) process to establish a debt.

(7) Monitor all DTS travel debt utilizing the Debt Management Report.

(8) Update waiver and appeal request/status

(9) If the entitlement location cannot collect using the methods and timeframe outlined in volume 10, chapter 18 of reference (h), the RRE package is forwarded to the Debt Management Office at DFAS-CL for further collection action.

(10) If Debt Management Office is unable to collect, the RRE package will be sent back to the command for write off.

(11) DFAS-CL Accounts Receivable will reconcile the Monthly Debt Management Report (MDMR) to SABRS on a monthly basis.

e. Disbursing and Vendor Pay Responsibilities

(1) For overpayments identified and immediately resolved, notify DFAS of the occurrence. Disbursing and Vendor Pay maintain a control log for tracking purposes.

(2) For overpayments not immediately resolved, conduct "Discovery Period" research. When complete, Disbursing initiates recovery procedures and notification is provided to DFAS (Vendor Pay forwards their research package to Disbursing

for action). Disbursing and Vendor Pay maintain a control log for tracking purposes.

(3) Provide, upon request, any applicable documentation regarding the suspected debt, such as contracts, receiving reports, or invoices or statements, etc., to the appropriate DFAS-CL and DFAS-CO Problem Disbursement Section Supervisor to support entry of the RRE into SABRS.

f. DFAS-CL Responsibilities

(1) Obtain copies of Monthly RRE Reports from sources identified above. Reconcile RREs currently recorded in SABRS to those identified on the monthly reports. As necessary, adjust SABRS or obtain supporting documentation from source for recording the RRE in SABRS.

(2) Maintain a debt folder for each RRE recorded in SABRS and log the RREs in the Root Cause Database.

(3) Check SABRS weekly, to determine if the overpayment was refunded. If received, remove the RRE from the SABRS account.

(4) On a monthly basis, provide reconciliation results and explanations for all debts residing at field level that are greater than 31 calendar days old to Departmental Accounting.

g. DFAS-CL Departmental Accounting Responsibilities

(1) Assist with the reconciliation of monthly RRE Reports.

(2) As necessary, coordinate the transfer or write off of uncollectible debt.

(3) Record journal voucher (JV) adjustments at month end for reconciliation differences between SABRS and source.

(4) Provide oversight to the RRE process and prepare monthly accounts receivable reports and metrics.

9012. Requests to Discontinue Research. In absence of source documentation, which is required by law to substantiate all obligations in the accounting system, absolution of this requirement must be officially requested through the discontinued research process. Unresolved NULOs and UMDs that have been obligated under the over-age rules must continue to be researched and corrected unless written approval to discontinue research has been obtained from HQMC.

1. The reasons for requesting approval to discontinue research are listed below:

a. Minimum Criteria. The minimum criteria for requesting approval to discontinue research are when there is no indication that an overpayment or duplicate payment has been made or not fully collected.

b. Closed Contracts. A pre-closing payment review has been completed. Obligating the UMDs or NULOs will not exceed the contract total.

c. Erroneous Document Numbers. Neither the disbursing officer nor the obligating officer can furnish information or support the disbursement.

d. Travel Orders. An unmatched transaction contains insufficient information for research and cannot be traced due to age.

e. Missing or Insufficient Documentation. In addition to the criteria listed above, research cannot be completed due to missing or insufficient documentation and steps taken to obtain missing documentation have not produced any results and further efforts appear fruitless and not cost-effective.

2. Supporting Documentation. Requests to discontinue research should be supported by a summary of research efforts and other steps taken to obtain missing documents or additional support for insufficient documentation. State specific actions taken in trying to resolve the transaction and the results achieved.

a. When applicable, transaction histories of the respective accounting and payment systems are obtained, reviewed, and compared for omitted transactions and other differences.

b. For omitted documents or noted differences, a request was made to the appropriate funding or contracting office to

obtain obligation documents and to the payment office to obtain documents supporting the payment.

c. Responses received from the office to which requests were made whereby documentation and supporting information could not be located due to invalid document number references, lost or misfiled documents, inadequate data for searching files, or other reasons.

d. Sufficient actions were taken during the research efforts to provide reasonable assurance that no duplicate payments or overpayments remain outstanding and that no fraud has occurred involving the disbursement transactions for which research efforts are requested to be discontinued.

3. Processing Requests to Discontinue Research Efforts

a. Requests will be prepared and processed in accordance with volume 3, chapter 11, section 1108 of reference (h). Requests will be submitted to RFA for review and concurrence. RFA will forward the request to DFAS for formal submission to the ASN (FM&C).

b. The Comptroller will determine which problem disbursements meet the criteria for making the request to discontinue research efforts. If the criteria are the same for a number of transactions, these items may be summarized in one request.

9013. Source Documentation. See the Source Documentation Matrix (APPENDIX D) for more information.

9014. Financial Systems. The following financial systems are used throughout the payments and collections process. For more information on the feeders systems please refer to the SABRS Feeder System Manual (APPENDIX C).

9015. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, deploy, and implement internal controls to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.

3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.
6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions such as making purchases, authorizing purchases, payments, certifying funding, reviewing and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.
12. Ensure funds are available for all PRs.
13. Ensure the Vendor's invoice is properly certified in WAWF.
14. Ensure obligation is properly recorded in SABRS prior to reconciliation and disbursement.
15. Ensure interest penalties will not be incurred due to exception items not corrected in a timely manner.
16. Ensure all commitments, obligations, expenses, and liquidation amounts are properly reconciled with source business feeder systems.
17. Ensure appropriate authorization controls are established.
18. Ensure transactions are properly documented. Ensure spending limits are strictly controlled. Ensure violations of these limits will be enforced.

19. Ensure a process, with strict internal controls, is established to ensure that all charges and payments are timely, accurate, and appropriate.

20. Ensure available data (including the use of data mining if available) is reviewed to detect instances of delinquency, fraud, and misuse and identify trends and outliers in relevant indicators of charge card program performance.

21. Ensure the appropriate personnel (including A/OPC, AOs, or other accountable/billing officials) are contacted to ensure that delinquent payments are addressed and corrective actions are taken to prevent further occurrence.

22. Ensure compliance to all regulations regarding invoice payments.

23. Ensure compliance to all regulations regarding discounts and warranties.

24. Ensure proper documentation for all errors in payments. Errors are to be logged separately and signed. Log books are to be kept in accordance with record retention policies.

25. Ensure all error logs are complete accurate and signed.

Chapter 10

Monitoring, Correcting, and Validating Transactions

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Chapter 10

Monitoring, Correcting, and Validating Transactions

1000. General. This chapter describes required reconciliations, corrections and validations that must be performed to ensure the accuracy of recorded transactions.

1001. Fund Manager and RM Duties. Fund/RMs need to review and reconcile cycle changes and transaction processing that impact their financial records and available fund balance daily. Fund Managers/RMs need to review, at a minimum, these reports:

1. Daily Transaction Report. Review transactions that posted in the previous days cycle to ensure that amounts, financial codes, quantities, etc. are correct. If in error, a correction may be required in either the source business feeder system, a correction notice processing for a payment, or an adjustment in SABRS.

2. Error Transaction Report. Review transactions that apply to the BEA/BESA that have been placed in an error status by SABRS. These transactions did not pass one or more edits in SABRS, did not find a required matching transaction, or have some other issue that is keeping the transaction from processing. Review the error code assigned to the transaction and make the appropriate correction. Once corrected, the transaction will process in the next SABRS cycle. If the transaction appears again on the error report, either:

a. The original error condition was not properly corrected;
or

b. A different error condition than previously corrected exists for this transaction. Correct this condition for reprocess into SABRS.

c. Error transactions should never be fixed by deleting the error record and re-keying the transaction manually into SABRS. Correct the error file record and let SABRS reprocess the transaction.

3. BEA/BESA Budget Execution Report. After reviewing and working the SoF report and the error report, the daily transaction report is used to determine the new available balance amounts for present or future purchases.

1002. Transaction Reconciliation. A cyclic reconciliation of all transactions posted to the accounting system is performed to ensure the accuracy of fiscal codes, amounts, and the completeness of the data that should have processed. A cyclic reconciliation also reaffirms the Fund Manager's/RM's official SoF by confirming the accounting system has properly processed the data. Fund/RMs will accomplish transaction reconciliation after each accounting cycle.

1. Financial reports are generated after each accounting cycle that Fund/RMs and other Financial Managers use to validate transactions recorded in the accounting system. These reports are snapshots of balances, files, errors, records, etc., that must be reviewed and validated to ensure the accuracy of the official accounting records. Source documents are the key to validating the accounting system and are reconciled against the accounting system's reports to ensure the information in the accounting system matches the information on the source documents. When there is an error, the Fund Manager/RM must correct the accounting system to match the source document.

2. After the financial reports are generated, they are used to reconcile financial transactions processed into the system after each accounting cycle update. Even if the Fund Manager/RM did not have manual input into the accounting system, the cycle reports need to be reviewed to reconcile financial transactions posted from external system interfaces. The following general steps must be followed in the transaction reconciliation process:

a. Verify Commitments

(1) Compare document numbers, amounts, and other financial data in the accounting system against the source documents to verify that the commitment data in the accounting system has been posted correctly.

(2) Research discrepancies between source documents and accounting system entries.

(3) Adjust the accounting system entry as required to reflect correct financial data.

b. Verify Obligations

(1) Compare document numbers, amounts, and other financial data in the accounting system against the source documents to verify that the obligation data in the accounting system has been posted correctly.

(2) Research discrepancies between source documents and accounting entries.

(3) If errors on the obligation document are found, ensure corrective action is taken at the issuing activity.

(4) If an accounting transaction is in error when compared to the obligating document, adjust the entry accordingly.

(5) Adjust source documents as required to reflect corrected financial data or balances.

(6) Ensure that the obligation document (i.e., purchase order, contract, etc.) has been received, either manually or electronically, within 6 calendar days from the date the obligation was incurred.

(7) If the obligation document has not been received, determine the age of the request and contact the appropriate action office to determine the status of the official obligation action and source document.

(8) It is imperative that follow-up action is performed to ensure that obligation action has occurred.

(9) Once an obligation document is received, ensure that the obligation has been entered in the accounting system and that the updated cycle has been reconciled. Obligations requiring manual input by Fund Managers/RMs into SABRS must be keyed within 3 calendar days from the receipt of the obligating source document(s). Obligation recording shall not exceed 10 calendar days from the date the obligation is incurred. Obligation of \$100,000 or more must be recorded in the same month as incurred.

c. Verify Expenses

(1) Compare document numbers, amounts, and other financial data in the accounting system against the source documents to verify that expense data in the accounting system has been posted correctly.

(2) Research discrepancies. Variances are usually caused by user errors when expense information was entered.

(3) Take appropriate corrective action to the accounting system and/or source documents.

d. Verify Liquidations

(1) Compare document numbers, amounts, and other financial data in the accounting system against the receipt document invoice to verify that the liquidation data in the accounting system has been posted correctly.

(2) Ensure obligation amount in the accounting system is equal to liquidation if it is a final payment. Adjust the obligation as required.

(3) Ensure that a sufficient obligation is posted to process pending liquidations. Validate and adjust the obligation as required.

3. Special Considerations During Reconciliation. Several factors may change obligation amounts during the course of the year or life of the contract. Fund/RMs should be aware that prices can change, units of issue can change, ordered items can be substituted with other NSNs, and purchase orders and contracts can have hidden fees (e.g., shipping costs, percentage ranges, etc.) that were not considered or known when the document was initially obligated. As a result, Fund Managers/RMs should be diligent when validating source documents to ensure transportation costs, price increases, late payment charges, and other miscellaneous adjustments to obligations are posted in the accounting system. These adjustments are normally increases to the obligation amount originally posted. Further, if a document has been cancelled by the source of supply, contracting office, or TDY order writing section, the Fund Manager/RM must ensure that the corresponding document/obligation in the accounting system is cancelled.

1003. SABRS Error File Correction Process. Transactions posted to the accounting system via an interface go through various internal edit checks prior to posting. Those transactions that do not meet the edit check criteria will process to various error reports (e.g., Spending Error Transaction Report, CIF Errors). The accounting system will assign error codes to those transactions that fail the edit checks when processed. Comptroller Offices and fund holders should generate the error reports from SMARTS and take immediate and appropriate action to correct the errors and implement process improvements to address the root cause. All actions taken in regard to error correction must be documented in sufficient detail to provide an auditable trail that describes the issue and basis of corrective actions. The SABRS Spending and Correction Manual referenced in APPENDIX C provides additional detail. Below are some of the most common errors that may be encountered, and how to properly correct them:

1. Invalid Fiscal Data Elements. This error occurs when fiscal data elements are not loaded or are incorrectly loaded to tables in the accounting system. The error codes assigned to the applicable transaction will determine the tables that require updating or correction. Local or Central Table loading and correction is a function of the Comptroller, or HQMC RFA, and DFAS.
2. Incorrect Transaction Entry. When the transaction is entered incorrectly by the source of supply (e.g., contracting, GCSS). The error codes will identify which field in the error record needs correction.
3. Spending Errors. These transaction errors impact commitment, obligation, and expense amounts.
4. All Other Errors. In the case where an error has occurred and the codes assigned does not clearly identify the exact problem, or the Fund Manager/RM cannot correct the error, contact the Comptroller or DFAS.

1004. SABRS Data Element Correction Process. DEC's (e.g., SIC, CAC, OCC/SOCC) to transactions recorded on the Active File must be supported by proper supporting documentation that clearly provides the support and justification for the change, especially when it involves a SIC change. Support for DEC will be subjected to the same documentation retention standards as all other transactions.

1005. Aged and Abnormal Transactions. This section covers financial conditions that result in an abnormal accounting transaction or accounting balance and the procedures required to correct and reconcile those conditions. Abnormal accounting transactions and accounting balances are key trend analysis indicators of process, procedure, and/or training shortfalls that require command attention. The analysis and corrective actions for these transactions and balances are conducted by the command's FMRO. The SABRS Abnormal and Aged Reports Manual (Deadly Sins) in APPENDIX C provides additional detail.

1. Common Abnormal Conditions. Abnormal financial transactions can occur for many reasons including missing or corrupted data files from source business feeder systems, manual input data errors, lack of timely follow up on one condition creating another abnormal condition, incorrect supporting agency business practices, etc. The analysis and corrective actions for these transactions and balances should be conducted by the command's FMRO along with as required assistance from RFA. Each of these conditions is addressed in subsequent paragraphs in this chapter. The following are common abnormal conditions that will require research, correction, or other follow up to be performed by Fund Managers/RMs.

a. Abnormal Delivered Orders Unpaid Report. This condition arises when the total amount of liquidation(s) posted against a specific document exceeds the amount of expenses recorded. Normal causes of this condition that requires research and correction are:

(1) Payments (IDBs) for mechanized supply orders (MILSTRIP) can be processed by the source of supply prior to the command receiving the ordered goods. The delay in receiving the order can range from days to several weeks. Fund Managers/RMs will:

(a) Check with the unit supply to confirm shipment status. If the shipment status is still pending, continue weekly follow up until the order is received.

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(b) If supply status indicates shipped, verify if the order has been received or not. Further, validate the unit price and quantity of the shipping status. If received, confirm that Supply processed the information via the automated requisitioning system. If they have, the expense should process in the next cycle. If not, have Supply process the receipt transaction in the automated system of record.

(2) An obligating contract is from a source that does not utilize SPS or WAWF. A proper payment package is required by DFAS prior to making a disbursement. This package includes confirmation of a valid contract, invoice received from the Vendor, and an acceptance of the goods or services by a government employee. An acceptance or receipt document needs to be completed in order for the payment to process correctly against the correct contract and line number. This is the document needed to record the expense in SABRS. Contact the contract administration office for additional information.

(a) When a contract is for facilities maintenance issued by the commands supporting Navy Regional Officer in Charge of Construction (ROICC), check with the ROICC to obtain a copy of their acceptance document to the Vendor's invoice and enter an expense in SABRS. If no acceptance document was created, verify that the disbursement posted to the correct CLIN. If this is in error, request that DFAS redistribute the liquidation to the correct contract and CLIN. If an LOA change is required for the payment to accomplish this transfer, request that a 1081 correction be processed by DFAS.

(b) When a contract is issued by another service/agency based on a direct cite authority, Category II MIPR, research to see if a copy of the contract was received (or access the contract via EDA) reflecting the CLINs funded by the document and LOA. Review the contract and determine who has responsibility for acceptance of goods or services ordered from receiving activity. Contact the point of contact for the acceptance/receipt that supports the payment and enter an expense in SABRS. If the acceptance is being performed by another command, service, or agency, contact the contract representative to obtain a copy of the acceptance document. Once obtained, enter an expense in SABRS. If no acceptance document was created, verify that the disbursement posted to the correct contract and line number. If this is in error request DFAS redistribute the liquidation to the correct contract and line item. If an LOA change is required for the payment to

accomplish this transfer, request that a 1081 correction be processed by DFAS.

(3) When an obligating document is a request for work or services (NavCompt 2275), or an Economy Act MIPR (Category I) issued by a command (you are the buyer of goods/services) to another service or agency (they are the seller), the expenses should be posted based on communication with the seller at the end of the month to determine the amount billed against an order. An email confirmation of this amount is acceptable documentation to enter an expense into SABRS. The command should not wait until the bill (liquidation) posts in SABRS to create an expense, but should make the monthly contact prior to the bill processing to obtain the amount to post an expense. Further, an expense can be entered based on a status report received from the seller. In no circumstance should the transaction be expensed for more than one quarter estimate (do not expense the transaction one time for the entire FY).

(4) When an obligating document is a training request (SF 182, "Authorization, Agreement and Certification of Training"), confirm that the employee attended the training. If they did, enter the expense in SABRS. If they did not, was there a clause in the training contract that required payment regardless if the employee attended or not. If so, enter the expense in SABRS. If this condition did not exist and prior notification of cancellation was provided, the payment is in error. Contact DFAS for their collection efforts to recoup the payment from the Vendor. Do not post an expense but leave this transaction in an abnormal condition. An expense is only posted after the requested training has been received.

(5) There are times when the amount of settlement for travel is greater than the estimated obligation. The expense for travel is generated based on the obligation and number of days of the TDY. If the estimate is low, the payment will be greater than the expense and obligation. In this case, both the obligation and expense must be adjusted. This condition will also cause another abnormal condition of NULO.

(6) Occasionally a dataset in a feeder system (i.e., WAWF, GCSS, etc.) containing an expense transaction may not process. This is normally discovered after a cycle and the dataset recovered for processing with the next SABRS cycle. If this is the condition, wait until the next cycle posting prior to taking action on recording the expense record.

b. Abnormal Undelivered Orders. This condition arises when the total amount of expenses recorded against a specific document exceeds the amount of the obligation recorded. This condition should very rarely occur due to the edit checks in SABRS that will put source feeder system expense transactions in error if the expense is greater than the obligation. However, this condition can occur with MILSTRIP bills that are final and less than the recorded obligation. The IDB will adjust the commitment and the obligation amount, but not the expense. If the obligation and expense were the same prior to the IDB credit or reduced price bill, the obligation will adjust in SABRS and the Fund/RM will need to manually reduce the expense to correct this abnormal condition in SABRS.

c. NULOs. This condition occurs when the total amount of liquidations (payments) are greater than the amount of obligation recorded in SABRS for that specific document number or in the case of a payment for a contract the combination of the document number, procurement instrument number, sub-procurement instrument number, and/or CLIN. Normal causes are:

(1) Non SPS contract modifications that require systemic obligation entry in SABRS via PR Builder.

(2) NSN price change increase to original obligation price via GCSS-MC.

(3) Payment made against an incorrect line number on the contract or an incorrect document number.

(4) Travel entitlements at time of settlement greater than original estimated cost.

(5) Duplicate payment posting.

For all the above conditions, an obligation needs to be recorded in SABRS either via the appropriate feeder system (preferred method) or manually with a memo statement (as a last resort). An obligation is required and a RRE posted for the payment error, a redistribution of the payment to another document citing the same basic LOA, or a 1081 correction is required.

d. Prevalidation Errors. This condition arises when the Entitlement System record (proposed payment) cannot find a match within the accounting system. The Prevalidation process checks the amount to be disbursed against SABRS to find a corresponding obligation and ULO balance that matches the document number,

contract number, order number, ACRN, CLIN, Subline Item Number (SLIN), or some combination of these that matches the proposed payment. If no corresponding obligation is found, the payment fails the Prevalidation check and will not be paid until the discrepancy is resolved within the entitlement system (DCAS), the accounting system (SABRS), the invoice (WAWF), or the contract writing system (SPS). For all potential overpayments or erroneous payments: The invoice must be rejected/returned to the Vendor immediately with proper justification.

e. Unmatched Disbursements (UMDs). This condition arises when a payment has been made and processed against Marine Corps funds that fail to find a matching obligation record to post against in SABRS. Matching the disbursement to SABRS is based on one or more combinations of document number, ACRN, contract number, order number, CLIN, and SLIN, or an LOA mismatch.

f. Abnormal Accounts Receivable. This condition arises when the collections applicable to the reimbursable account exceed the amount of previously submitted and processed billings or when collections exceed the total amount expensed for the reimbursable order.

(1) Reimbursable billings are created in SABRS based on the amount of expenses recorded against the RON and RBC assigned to the buyer's order. Expenses are recorded based on specific material or services order placed against the reimbursable being filled, by assigning Civilian Labor directly against the customer order (DCPS JON contains the assigned RON and RBC identifying the buyer's order), or through manual allocations of expenses being transferred within SABRS to the buyer's order.

(2) An abnormal accounts receivable condition can occur if the billing for a specific RON and RBC posts against another reimbursable account's RON and RBC due to some change in the collection LOA.

(3) An abnormal accounts receivable condition can occur if the expense amount previously billed is reduced in SABRS and no corresponding credit billing is processed or posts to the reimbursable account in SABRS. Credit bills will process automatically if SABRS Table 327 is properly updated. If not, credit bills must be manually released in SABRS to process.

(4) An abnormal accounts receivable can occur if more expense than authority is recorded against the reimbursable order and the SABRS-generated billing is manually released and

processed. SABRS will put billings on hold where the amount of the current bill plus amounts previously billed exceed the buyer's authority in the system. This billing condition can only be processed if manually released by a user authorizing the transaction.

(5) An abnormal accounts receivable can occur for specific reimbursable accounts where the amount collected for the month is not used or only partially used to offset direct appropriation charges for the program. Users should closely monitor the amount collected and deposited each month for these accounts and ensure timely use of funds.

2. Common Causes of Errors and Abnormal Conditions. Errors and abnormal conditions are commonly the result of:

a. Local Tables in SABRS required for processing a transaction being passed from a source or feeder system are not properly maintained. This includes missing or erroneous codes loaded to the tables used during transaction edits in SABRS. Review all Local Tables and ensure they are properly updated.

b. Mismatch between financial codes cited on a source document, such as document number, accounting classification, and other fiscal codes and those entered into the source feeder system or SABRS. This can be caused by entering a zero when it should be an alpha O, transposing figures, keying an extra zero in amount or quantity fields, etc.

c. Source system financial data elements not entered correctly. These include LOA errors with the credit card program, LOA errors in DTS, etc.

d. Manually keying information into SABRS when the information should be processed from a business feeder system. This is an abnormal condition addressed in the SABRS Abnormal and Aged Reports Manual (Deadly Sins) (see APPENDIX C).

e. Not correcting errors in a timely manner.

f. Not reconciling each SABRS cycle and adjusting financial document files correctly based on changes posted from the cycle.

g. Short-cutting document processes (Example: entering a commitment, obligation, and expense when the transaction has not yet had delivery of goods and services and should not have had an expense recorded). Attention to details when creating source

documents, reviewing cycle updates, and Local Table validations will ensure that most transactions avoid an abnormal condition.

3. Aged Transactions. Aged transactions are outstanding commitments, obligations, and RREs that have had no activity in SABRS for a period of time. These "dormant" transactions are a major audit risk and contributor to reverted balances which results in lost opportunities to support the Warfighters. The following are common aged transactions that will require research, correction, or other follow up to be performed by Fund Managers/RMs:

- a. ULOs.
- b. OTOs.
- c. Outstanding Commitments.
- d. Outstanding Initiations.
- e. Outstanding MIPRs/WRs All Years.
- f. Outstanding RREs.

4. Common Causes of Aged Transactions. Table 10-1 highlights some of the common causes of Aged Transactions to occur in SABRS.

Category	Causes
Unliquidated Obligations (ULOs)	<ul style="list-style-type: none"> 1. Items not received 2. Transaction not liquidated due to obligation mismatch 3. Accounting system or entry errors 4. Improper/lack of reconciliation with Fund/RMs who originated the transaction
Outstanding Travel Orders (OTOs)	<ul style="list-style-type: none"> 1. Traveler has not completed travel 2. GTR did not post due to incorrect accounting data 3. Traveler has not submitted travel

Category	Causes
	<p>claim/settlement not in the system</p> <p>4. Settlement has been submitted but did not post due to voucher error</p> <p>5. Improper/lack of reconciliation with Administrative elements to verify status of personnel</p>
Outstanding Commitments	<p>1. Requirements committed but has not turned into an obligation</p> <p>2. No action taken by KO</p> <p>3. Improper/lack of reconciliation with RCO to determine acquisition status of requirement by Fund/RMs</p>
Outstanding Initiations	Usually occur at the end of the FY and are pending commitments for the upcoming FY
Outstanding MIPR/WR All Years	<p>1. Liquidations does not match obligation</p> <p>2. Entry error</p> <p>3. Bill has not been recorded in SABRS</p> <p>4. Improper/lack of reconciliation between buyer and seller quarterly at a minimum</p>
Outstanding RREs	System has recorded a refund that has not been completely processed

Table 10-1.--Common Causes of Aged Transactions.

1006. Bulk Obligations

1. A bulk obligation is a summary of individual requirements recorded as one obligation, a summary-level obligation estimate for individual requirements based on historical data execution, or multiple systemic obligations for requisitions individually recorded under one summary SDN via SABRS tables. This can include, but is not limited to, monthly or quarterly obligations

based on current budgets, "build-up" obligations that cannot be reconciled to smaller individual payments or any obligation and/or expense transaction in SABRS that does not have a clearly defined obligating and/or expensing document as source documentation. Some examples of these types of transactions are below.

- a. Labor Cost Shortfall (LCS) manually-generated obligations for TACs (e.g., USTRANSCOM, GBL).
- b. MCPDT-generated PCS and HHG obligations, as well as Non-Temporary Storage (NTS) obligations for TACs.
- c. Prompt Payment Interest and Foreign Currency Fluctuation (FCF) payments.
- d. Unit Travel Card (UTC) and CBAs.
- e. MILPAY requirements which result in the need for bulk obligations due to an inability to systemically obligate via MCTFS (e.g., Civilian Taxes, Death Benefits, etc.).

2. All obligations recorded in SABRS, to include bulk obligations, must be supportable by documentary evidence of a legal liability against an available appropriation. Per volume 3, chapter 8 of reference (h), any bulk obligations ULO balances must be supported with documentation which includes the estimation and analysis used to calculate the obligation and expenses. Detailed requirements for the management of bulk obligations must be performed in accordance with the latest Bulk Obligations Policy and Procedures Manual referenced in APPENDIX D.

3. At the beginning of each FY Resource/Fund Managers must determine the method of obligation for each of the bulk transaction SDNs. This can be determined by previous FY transaction history or an understanding of upcoming requirements. For SDNs with system-generated obligations (e.g., PowerTrack/Syncada, MCPDT, etc.), the Resource/Fund Managers will not manually record obligations in lieu of systemic obligation transactions or error corrections.

- a. For SDNs that require a manual obligation be recorded in SABRS, the Resource/Fund Managers must generate an estimate for the obligation based on historical execution analysis coupled with an analysis of current budget requirements. The historical analysis must take into account at a minimum the previous three

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years of execution when possible. All exhibits, justifications, and calculations used to generate an obligation must be stored and catalogued each time any adjustment is made to the obligation.

b. The calculation for the obligation and any subsequent obligation or de-obligation must be documented on a DD Form 2406, "Miscellaneous Obligating Document" (must be signed by a Comptroller, Deputy Comptroller, Accounting Officer, or personnel authorized to approve the recording of financial transactions in the accounting system) and have the supporting documentation (e.g., spreadsheets, correspondence, trend analysis, etc.) attached to it.

4. For adequate supporting documentation, the Marine Corps must produce the background estimation and analysis used to calculate any bulk transactions and an analysis against that calculation to show that the obligation and expense is still valid, and should remain on the books. To facilitate the identification and tracking of this documentation, the SABRS Memo field must reference the specific DD Form 2406 and any additional supporting documentation, in accordance with command-level internal documentation tracking procedures.

5. In addition to these actions, the documentation and review of bulk transactions will be incorporated into ongoing fund control and monitoring procedures. Monitoring efforts must be performed on a monthly basis (at a minimum) in order to ensure the continued validity of these bulk transactions and ULO balances. This documentation must be readily retrievable, and available upon request.

1007. Tri-Annual Review (TAR). The TAR process is mandated per volume 3, chapter 8 of reference (h). The TAR process is an internal control practice used to assess whether commitments and obligations recorded are bona fide needs of the appropriations charged. Fund holders, with assistance from supporting accounting offices, shall review dormant commitments, ULOs, and accounts payable and accounts receivable transactions for timeliness, accuracy, and completeness. The purpose of the TAR is to ensure valid commitments and obligations are properly recorded in the accounting records and ultimately result in receiving the goods and services commands ordered to meet mission requirements. TARs are conducted to assist in reducing prior year reverted balances which directly impact Marine Corps available funds during the current year. Refer to the Audit Tools Support Document referenced in APPENDIX D for further details.

1. Frequency. Fund Managers and RMs will perform TARs of dormant commitments, ULOs, accounts payable and accounts receivable transactions for timeliness, accuracy, and completeness during each of the four-month periods ending on January 31, May 31, and September 30 of each FY. Fund Managers/RMs of Supporting Establishments and Operating Forces are required to perform, at a minimum, monthly reconciliations in preparation of the TAR.

2. RFA Responsibilities. RFA will ensure the availability of reports via the P&R SharePoint Portal located at: <https://ehqmc.usmc.mil/ORG/PR/FISCALOPS/ACCOUNTING/Pages/default.aspx>. The web-based TAR reporting process provides RFA the capability to maintain all confirmation statements electronically with all supporting documentation as provided by the Comptrollers and fund holders. This information will be used to provide documentary evidence to the Fiscal Director of the Marine Corps to provide assurance that financial reports reflect the true financial position of the Marine Corps.

3. Accounting Office Responsibilities. Accounting offices will ensure the dissemination of listings or automated media identifying both outstanding commitments and ULOs recorded for the Fund Holder. The accounting office will also provide fund holders with direction to obtain listing(s) or automated media identifying accounts payable and accounts receivable. This will enable the funds holder to verify proprietary accounts (as well as budgetary accounts) and, thus, ensure that proprietary and budgetary accounts are valid, accurate, and reconciled.

4. I&L. I&L, as the process owner of MILSTRIP, is responsible for the TAR of MILSTRIP requisitions. I&L provides Supply Activities their respective MILSTRIP TAR Reports via I&L's Audit Readiness SharePoint workspace by MRI located at:

<https://il.usmc.mil/org/IL/LP/LPC/LPC2/auditreadiness/Pages/MILSTRIPTRIPAR.aspx>

a. The MILSTRIP TAR Report will identify both outstanding MILSTRIP requisition commitments and ULOs recorded for the Supply Activity.

b. The Activity Supply Officer or Accountable Property Officer will conduct and complete a review of the MILSTRIP TAR Report, and ensure that the MILSTRIP TAR Confirmation Statement (NAVMC 11675, "United States Marine Corps Tri-Annual Review") is endorsed by the Commander/Commanding General and uploaded to the I&L Audit Readiness SharePoint workspace with the applicable reports. Subsequent to certified responses, I&L compiles all Logistics (G4) MILSTRIP TAR Reports and performs a quality control inspection to ensure accurate and complete responses are provided.

c. I&L certifies to the MILSTRIP TAR requisitions reviewed via the NAVMC 11675. I&L then provides RFA the MILSTRIP TAR Report and NAVMC 11675 by uploading the documentation to the P&R SharePoint Portal. I&L maintains/archives MILSTRIP TAR documentation for a period of six years and three months. In addition, I&L performs self-assessments of the MILSTRIP TAR to ensure that the TAR is performed in accordance with volume 3, chapter 8 of reference (h).

5. Fund Manager and RM Responsibilities. Fund Managers and RMs are responsible for conducting reviews of dormant commitments and ULOs. The Funds Manager/RM is in the best position to determine the accuracy and the status of such transactions. The Fund Manager/RM completes the following minimum reviews no later than 14 working days following January 31 and of May 31, as well as by September 30 of each FY. Additionally, Funds Managers/RMs are required to maintain, for a period of 24 months following the completion of the review, documentation that is sufficient to permit independent organizations, such as the Office of the IG, DoD or the DoD Component Audit/Agency Service, so as to verify that the reviews were accomplished as required.

6. RFK ICOFR Team Responsibilities. ICOFR is responsible for running sample tests based on the report submissions from the

commands. While running the sample tests, ICOFR will work with the different commands to get the needed supporting documentation for certified, valid transaction. Upon completion of the sample test, ICOFR will disseminate invalid transactions for de-obligation to Resources (G8).

7. MCFEAT Responsibilities. MCFEAT is responsible for collecting the complete reports and performing further analysis of processes and procedures. MCFEAT also monitors and inspects each command while providing training.

8. Tri-Annual Review (TAR) Reports.

a. Report A, Dormant Transactions. Dormant transactions consists of contracts that have had no financial transactions recorded in 120 or more days with Investment or Operating appropriations as listed below, and all other documents (e.g., requisitions, travel orders) that have had no financial transactions for 90 to 179 days.

(1) Review dormant ULOs for Investment Appropriations (Procurement, RDT&E,N, Military Construction, Investment-Type Portion of the Foreign Military Sales Trust Fund, and the Capital Budget of the Defense WCF) for each dormant obligation of \$200,000 or more that are aged 120 days or more.

(2) Review dormant ULOs for Operating Appropriations (O&M; Military Personnel, Revolving Funds; Trust Funds, Including the Operating Type portion of the Foreign Military Sales Trust Fund; the Operating Portion of the Defense WCF; and Other Appropriations/funds, as appropriate) for each dormant ULO of \$50,000 or more.

b. Report B, Potential De-obligation Report. The report consists of all outstanding supply requisitions, travel orders, and miscellaneous documents that are 180 days or older.

c. Report C, Outstanding Accounts Receivable. This report consists of all RON with an outstanding accounts receivable balance. Report C criterion only requires that an outstanding receivable balance for a document exist.

d. Report D, Unmatched Disbursements (UMDs). This is a report of all UMDs/collections identified as belonging to an MRI.

e. Confirmation Statements/Responsibilities of the Budget Submitting Offices (BSO)s. Required confirmation statement(s) NAVMC 11675 TAR Unqualified Confirmation with supporting attachments shall be completed by the 21st day after the close of the applicable TAR month by the MRI-level Comptroller. Required confirmation statements and supporting attachment templates can be downloaded from the TAR area provided on the RFA portal website for completion and signature by the Comptroller. Signed confirmation statements with supporting attachments should be uploaded as an Adobe Acrobat file (i.e., .pdf) to the RFA portal website in the TAR area. All fund holder confirmation statements and backup validation documentation must be retained for 24 months and made available, upon request, for audit purposes. The signed confirmation statements will:

(1) Confirm that all outstanding commitments, recorded in SABRS and cited on the TAR reports, have been validated to a paper or an EDI source document.

(2) Confirm that all outstanding obligations, recorded in SABRS and cited on the TAR reports, have been validated to a paper or an EDI source document.

(3) Confirm that all outstanding accrued expenditures unpaid, recorded in SABRS and cited on the TAR reports, have been validated to an accounts payable record or an EDI source document.

(4) Confirm that all outstanding reimbursements and other income earned, recorded in SABRS and cited on the TAR reports, have been validated to an accounts receivable record or an EDI source document.

(5) Confirm that all outstanding obligations, cited on the TAR reports, which could not be substantiated or validated after a thorough review by the funds holder (and/or the accounting office) have been de-obligated.

(6) Confirm that adequate follow up was conducted on all dormant outstanding commitments, cited on the TAR reports, to determine if the requirement is still valid, or if an obligation document has been issued but not received or properly recorded.

(7) Confirm that adequate follow up has been conducted on all dormant outstanding obligations, cited on the TAR reports, to determine if the obligation is still valid.

(8) Confirm that adequate follow up was conducted on all dormant outstanding accrued expenditures and earned receivables, cited on the TAR reports, to determine if a disbursement or collection requires recording or matching.

(9) Confirm that reviews of dormant outstanding obligations, cited on the TAR reports, included reviews of problem disbursements.

(10) Confirm that all outstanding commitments, cited on the TAR reports that could not be substantiated or validated after a thorough review by the funds holder have been de-committed.

(11) Confirm that all outstanding obligations, cited on the TAR reports, which could not be substantiated or validated after a thorough review by the Fund Holder have been de-committed.

(12) Confirm that all miscellaneous obligation documents, travel orders and supply requisitions, recorded in SABRS for more than 180 days and cited on the TAR reports, have been de-obligated, unless there is supporting documentation from the funds holder attesting to the purpose of the obligation.

(13) Identify problems noted as a result of the review.

(14) Advise whether, and to the extent which, adjustments or corrections to remedy noted problems have been taken.

(15) Summarize, by type, the actions or corrections remaining to be taken, and when such actions/corrections are expected to be completed.

(16) Identify what actions have been taken to preclude identified problems from recurring in the future.

1008. Reconciling Available Balances

1. Fund/RMs are provided funding amounts from their respective Comptroller offices. Funds are processed in SABRS to the Fund/RMs assigned BEA and, for some commands, to associated BESA levels. The amounts authorized in SABRS can be considered as "deposits" into the account. Like a personal bank account the amount of withdraws cannot exceed the amount of deposits. The Fund Manager/RM withdrawals on the BEA/BESA accounts occur with

each requisition, travel order, GCPC purchase, SERVMART CARD purchase, etc., that he or she initiates so as to obtain goods and/or services.

2. During the FY the amounts authorized to a Fund Manager's/RM's BEA and BESA are increased. These increases normally occur on at least a quarterly basis or when additional funds are required to meet critical mission requirements. Fund Managers/RMs may also receive funding increases for specific programs and projects from program sponsors at HQMC (e.g., Hurricane Relief, Drug Intervention, etc.).

3. Below are ways to ensure the correct command available balance to initiate new orders for goods and services:

a. Obtain from INFOPAC, SMARTS, or SABRS on-line inquiry the authorization, commitment, and obligation amounts for BEA/BESA as of the current cycle. Compare these amounts to the previous day's balances to see the amount of changes between the two cycles. The amount of changes in authorizations, commitments and obligations should equal the amounts contained within all the transactions on the daily transaction report that posted for the last cycle.

b. Reconcile the pending transactions to the daily cycle update report to determine which pending documents has posted as a commitment, obligation or commitment and obligation during the last cycle. Transactions that are not reflected on the daily cycle update report should be considered still pending and the amounts of these transactions need to be included in the funds balance determinations. Further, total the amounts for posted commitments and obligations and compare these totals to the changes in fund balances between the last and current cycle updates.

c. Check the error report to determine if some of the pending transactions are in error in SABRS. Take corrective action to "fix" these transactions for posting in the next cycle update. These transactions impacting commitments or obligations are still pending and must be included in funds balance determination.

d. Subtract from the current and reconciled system available uncommitted balance any pending commitments not processed into SABRS. This amount is the "true" uncommitted balance available for future transactions.

e. The same type of calculation to determine the unobligated balance by taking the current and reconciled system obligation and unobligated balances and adding/subtracting from these totals the amount of pending obligation documents. Add/subtract the amount of pending commitments to the obligation total and this will provide a "true" unobligated fund balance for future transactions.

4. Consider all pending commitments and obligations when determining funds available prior to generating any new requirements. Failure to perform reconciliations with execution reports and cycle funds availability validations after each SABRS cycle can be grounds for a rating of non-mission capable for Fund Managers and RMs during assistance visits and fiscal record inspections.

1009. Reconciliation Tools. The Audit Tools Support Document referenced in APPENDIX D is intended to provide the Marine Corps field commands with information resource tools that enables the timely retrieval of source documentation for validation and to support audit requirements. The Audit Tools Support Document provides a brief description of how to gain access to and utilize various resources from which supporting documentation can be obtained. Many of these tools can not only provide the payment source documentation but also help locate obligating documents. Below are two tools that should be considered when conducting reconciliation.

1. Computer-Based Comparison Tools. The reconciliation process normally begins with a comparison among systems to identify whether there are any discrepancies. Several computer-based tools are available for use with the existing entitlement, disbursement, and accounting systems to facilitate the comparison process. Functionality and system compatibility vary from tool to tool. Refer to the Audit Tools Support Document (APPENDIX D) for additional information.

1010. Contract Reconciliation

1. Reconciliation Referrals. Normally, at the end of the contract, the total of funds obligated should match the total payments made to the Contractor. Cost under runs, mistakes in payments, unearned incentives, discounts, or withheld fees, can result in ULO at the completion of the contract. When remaining funds balances exist that cannot be explained, reconciliation is required to compare all source documents with the entitlement and accounting systems. MOCAS contracts managed by Defense DCMA

are forwarded to DFAS-CO to perform reconciliations. Non-MOCAS and non-DCMA administered contract reconciliations are performed by the designated entitlement office administering payments for those contracts. volume 10, chapter 20 of reference (h) provides additional guidance.

2. Discrepancy Identification. When a discrepancy between contracts and accounting records is identified, a preliminary contract review is performed to determine what corrective action is needed. Recommended adjustments are reviewed and approved by qualified personnel before distribution to the appropriate location(s) for processing. Approved adjustments are posted in a timely manner. Reconciled records are identified by registration in the Standard Contract Reconciliation Tool (SCRT). Any subsequent adjustment of reconciled records is based on a reconciliation registration. All actions of contract reconciliation support the timely completion of funds review, de-obligation of excess funds, and contract closeout procedures found in paragraph 4.804-5 of reference (f). The related requirements for researching and correcting negative ULO, UMD, disbursements in suspense accounts, and disbursements in-transit are covered in volume 3, chapter 11 of reference (h).

3. Conditions for Contract Reconciliation. The following circumstances may indicate discrepant conditions that require preliminary contract review or contract reconciliation.

- a. Apparent incomplete contract, payment, or accounting information.
- b. Insufficient funds.
- c. Progress payment balances.
- d. Possible overpayments.
- e. UMDs.
- f. NULOs.

4. Prioritization Concerns. DoD Components prioritize the analyses of discrepant conditions in view of applicable time limitations and other circumstances. High priority conditions include those that involve congressional or senior DoD management interest, prevalidation problems, insufficient funds for payment, potential violations of volume 14, chapter 2, "Antideficiency Act Violations" of reference (h), suspected or

identified overpayments, and transactions with the highest dollar value.

5. Registration in the DoD-Wide Contract Reconciliation Database. Each contract nominated for reconciliation must be registered in the DoD-wide database of contracts being reconciled. By registering a formal reconciliation request into the DoD contract reconciliation system, the opportunity for duplicated efforts by other DoD Components is greatly reduced or eliminated. Resources, procedural guidance, forms, and other reconciliation tools used to obtain vital information for the contract reconciliation registration process can be obtained from DFAS-CO Accounts Payable Acquisition Contract Reconciliation Branch.

6. Required Actions. The individual assigned to perform contract reconciliation, whether a government employee or contractor, compares databases, research differences, identify root cause(s), and recommend adjustment(s) needed to correct differences among contract, entitlement, and accounting records. Differences among systems are researched to determine whether errors exist, where they exist, and the extent of such errors, as well as the required corrective actions. Every effort should be made to complete a contract reconciliation within 90 days.

a. Contract reconciliations should include, as applicable, comparisons of:

(1) The basic contract, including any modifications, and all obligation actions in all systems. This includes contract writing system records if an automated contract writing system was used to prepare the contract.

(2) Applicable payment vouchers.

(3) Contract payment system records.

(4) Official accounting system(s) records for all funds on the contract.

(5) Adjustments, including any collection actions or expenditure transactions, to the contract payment or accounting system(s) records that have been processed.

b. Differences that require adjustment are identified as:

(1) Contractual documents that require correction by the Administrative Contracting Officer (ACO) or Procuring Contracting Officer (PCO).

(2) Obligation posting documents (omissions or corrections) that require initiation or correction by the responsible funds holder or responsible accounting office when the responsibility for posting documents has been delegated.

c. If the accounting system records (internal adjustments) require correction and the entitlement records are correct, then a correction is required for the accounting systems records to balance with the corresponding entitlement system.

d. If entitlement office system payment records require a correction and the accounting system records are correct, then a correction is required for the entitlement office payment records to balance with the corresponding accounting system.

e. If entitlement office system payment records (external adjustments) affect the accounting system records, then corrections are required by the responsible entitlement office. Entitlement office corrections must flow to the corresponding accounting system.

7. Documentation and Retention. Documents accumulated in compliance with the procedures in this chapter will be retained, made available for, and be subject to internal review and audit. The Source Document Matrix referenced in APPENDIX D provides additional details.

a. The DoD Component responsible for the review and acceptance of the recommended adjustments retains adequate documentation to support any adjustment that is processed. Each completed adjustment file includes the preparer's identity, approval, and confirmation of the posting of the adjustment.

b. The retention of adjustment files by the DoD Component will be in accordance with the financial record retention requirements in volume 1, chapter 9 of reference (h).

1011. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, deploy, and implement internal controls to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.
6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure separation of duties among key functions such as making purchases, authorizing purchases, payments, certifying funding, reviewing, and auditing.
10. Ensure funds are available and are the correct fund type.
11. Ensure all reconciliations are performed and properly documented.
12. Ensure all commitments, obligations, expenses, and liquidation amounts are properly reconciled with source business feeder systems.
13. Ensure available data (including the use of data mining if available) is reviewed to detect instances of delinquency, fraud, and misuse, and identify trends and outliers in relevant indicators of charge card program performance.

14. Ensure all error logs are complete accurate and signed.

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Chapter 11

Year-End Processing

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Chapter 11

Year-End Processing

1100. General. The financial community performs a year-end process to ensure that commands address year-to-date changes, ascertain that all reports and ancillary actions in SABRS are scheduled and completed to provide the data necessary for the year-end reports due in October, and to bring closure to execution of their funds. The year-end process requires due diligence by all stakeholders, and includes: preventing over-obligations and over-expenditures, minimizing or eliminating reverted balances, meeting obligation rates, resolving problem disbursements, performing Unliquidated/Unfilled Order validations, and returning unused direct and reimbursable authority as soon as practical. The following procedures and guidelines represent the minimal essential actions necessary to ensure continued efficient and responsible use of financial resources.

1101. Process Overview

1. The Year-End Processing process encompasses Pre-Close Actions, Year-End Procedures, Open-Up Actions, and finally Year-End Certification.

1102. Roles and Responsibilities

1. Enterprise Level. This section describes various Year-End Processing roles at the Enterprise level.

2. HQMC P&R

a. RFA A&R. Responsible for publishing guidance and overall management of the allocations process to include monitoring transactions that are in an abnormal status (e.g., NULO, ULO, UMD).

b. RFA SIDI. Responsible for SABRS table management system research and resolution of systemic issues between DCPDS and DCPS.

c. RFK. Responsible for the overall efforts in support of audit readiness, internal control program testing, MCFEAT/FSMAO analysis, inspection and training support.

3. Local Level. This section describes various Year-End Closing roles at the Local level.

a. USMC IG: Local IG Commanding General Readiness Inspection (CGRI).

b. Comptroller Inspection Recommendations: Comptroller Chief, Budget, FMRO, REA.

c. Subordinate Element Commands. Comply with the content of this chapter for all Financial Assessment Visits and Formal Inspections. Contact HQMC RFK with any specific questions.

1103. Pre-Close Actions. In preparation for the close of the current FY, Comptrollers will ensure that all outstanding commitments, obligations, expenses, and liquidations are researched and reconciled. Also confirm the status of transactions identified to DFAS for further research and/or corrective action.

1104. Year-End Procedures. Comptrollers will ensure that all transactions that affect obligations, collections, expenditures and expenses are recorded prior to the closing date of 30 September of the current FY. Additionally, every effort will be made to validate accounts receivable/payable, commitments and undelivered orders/obligations prior to the closing date. In order to meet these goals, some vital processes must be completed:

1. Expiring Appropriations. Comptrollers and Resource/Fund Managers will clear ULOs, accounts receivable, accounts payable, etc., for accounts which will expire at the close of the current FY. All actions taken to resolve these transactions will be annotated on the Period III (30 September) TAR, with supporting documentation retained for review upon request by higher HQ.

2. Closed/Canceled Appropriations

a. Fixed appropriation accounts that exceed the five year expiration threshold shall be closed, and any remaining balances (whether obligated or unobligated) in the account shall be cancelled and thereafter will not be available for obligation or expenditure for any purpose. Once these are cancelled, if an invoice is received, it is paid with the new FY funding, thus reducing the available funding for our war fighters, and increases reversion rate totals reported to Congress.

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b. Comptrollers and Fund Managers will utilize the Cancelling Year Reports and corresponding Performance Metric publication to clear ULOs, accounts receivable, accounts payable, etc., for accounts which will cancel prior to the close of the current FY by 1 June. All actions taken to resolve these transactions will be annotated on the Period II (31 May) TAR and supporting documentation for amounts deemed as either unpaid obligations or uncollected accounts receivables will be retained for review upon request by higher HQ.

3. Problem Disbursements. Special attention is required during FY closeout because of the ramifications of unresolved problem disbursements in closed/canceled appropriations that may result in unbudgeted obligations to new FY authority.

a. All UMDs, NULOs, and in-transits that are registered in appropriations that are to close on 30 September of the current FY will be resolved, regardless of age by June 1. RFA MCFMOS will monitor the status of transactions identified to DFAS for further research and/or corrective action until completely resolved.

b. Obligations will be established for all UMDs, NULOs, and in-transit transactions in appropriations scheduled to close (become canceled) at the end of the current FY.

c. Pending corrections or accounting adjustments must be identified to DFAS prior to Sept 15. Failure to correct NULOs and UMDs in the year of execution could result in a violation of section 1517 of reference (c).

d. Reports will be monitored on a daily basis to ensure no new closing year problem disbursements are outstanding. Aggressive action will be taken on any closing FY transactions processed into SABRS during the last 45 days of the FY.

e. RREs require special attention during year-end closeout.

4. Outstanding Commitments. Outstanding commitments are canceled as of the end of the period that the appropriation is available for obligation. No commitments should be reported in expired appropriation accounts. Commands are responsible for ensuring that commitments are de-committed for all program years that will expire on 30 September of the current FY.

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a. Coordination with local RCOs to monitor each transaction within the acquisitions process will begin in August, and allow a full contract award risk assessment prior to 30 September. Commitments with requirements that contain excessive risk to the projected award date will be discontinued, and funds returned to the Fund Holders for use with other command priorities.

5. Reimbursable Orders. All reimbursable orders must be closed out before year-end for activities performing work or services under reimbursable orders with 1-year appropriations. Should ensure that the following year-end closing actions are completed:

a. Ensure all reimbursable order records are accurate and reflect the current status of valid obligations and accrued costs.

b. Notify the issuing activities (i.e., the customer) of any excess fund availability per current guidance issued by HQMC. Performing activities should return all excess funds available to the issuing activity. The issuing activity should be notified by the performing activity of all unearned and/or unbilled outstanding obligations that will require current year funds during the upcoming FY.

c. Record all pertinent expenses to reimbursable orders in the accounting system for appropriations that will expire on 30 September of the current FY per current guidance issued by HQMC. This will ensure that these expenses are reflected on the August reimbursable customer billing and will be collected in September.

(1) Expenses recorded during the month of September against reimbursable orders citing closing/canceling FY obligations will reflect on October reimbursable customer billings. The October billings are paid out of the customer's current year funds, not the canceled FY funds originally cited on the reimbursable order. Collections received after 30 September of the closing/canceling FY RON will not be deposited to the appropriation listed on the RON.

(2) Establish a RON for another year if the reimbursable agreement is an Economy Act Order citing a multiple year appropriation so that the charges can be collected next year.

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(3) For performing activities citing their own funds on procurement contracts as a replacement for reimbursable funds cited by an issuing activity, ensure that the older funds of the issuing activity are properly billed and collected before they are closed, even though the performer's funds may have one or more year(s) before closure.

d. Archive all RONS where the authority, obligations, expenses, billed and collected, are equal after receiving confirmation from the BEA that all work is complete.

e. Activities performing work or services under reimbursable orders expiring on or prior to 30 September of the current FY or citing appropriations that will expire for obligation purposes on 30 September of the current FY, must ensure that the applicable reimbursable order records are accurate and reflect the most current status of valid obligations and accrued costs.

(1) Activities that performed work or services under reimbursable orders that cited appropriations that will expire and will close on 30 September of the current FY, must ensure that all outstanding accounts receivable for work performed or items delivered are billed and collected prior to year-end.

(2) Performing activities cite their own funds on procurement contracts instead of citing reimbursable funds provided by the granting activity. In cases of Project Orders where the performing activity's funds are from a more recent FY than the issuing activity's funds, performing activities should ensure that the older funds of the issuing activity are properly billed and collected before they close, even though their own funds have one or more years before closure. Likewise, issuing activities must alert performing activities of the status of their funds.

(3) Under no circumstances shall any reimbursable unobligated authority remain in an appropriation account at expiration. Valid (unexpired), unobligated balances of reimbursable orders will be moved to the ensuing FY. In the event that subsequent upward obligation adjustments to the prior FY of multiple year appropriations are required, unobligated authority in the amount necessary to cover the adjustment may be moved back to the prior FY, if approved. Conversely, for downward adjustments of multiple year appropriations, the additional availability created by reducing the obligation will be forwarded to the current FY.

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6. Pending Commitments and Obligations (Non-Mechanized). Upon availability of the accounting system for input in the new FY, BEAs will input all non-mechanized pending commitments and obligations.

7. Civilian Labor. Comptrollers and Resource/Fund Managers must ensure that accounting requirements for the DCPS are submitted prior to 30 September so that any appropriate FY changes can be made to payroll related accounting records.

a. JON. For those customers whose accounting systems utilize job orders, DCPS can automatically update the FY contained in the job orders if that FY is consistently used in the same field of the job order. An alternative method for updating job orders is to have the DCPS CSRs assigned to each activity utilize on-line input to DCPS to manually update the job orders.

b. LOA. The fiscal/program year in the accounting classification records at the employing activity level, organization level, and employee level will be automatically updated through DCPS.

c. Reports. An "Unpaid Accrued Leave Liability Report" is available prior to the end of the year to provide the dollar value of the contingent liability for unused leave and the Medicare and Medicare/Old-Age, Survivors, and Disability Insurance fringe costs.

d. Awards Processing. The correct FY accounting record will be automatically assigned when the award transaction (SF 50) is processed by the payroll system. Awards received for processing after pay period ending October 1, but with an effective date prior to 1 October will be charged to the prior FY.

8. Key Accounting Performance Indicators. Fund holders should review the ten key accounting performance indicator reports located at:
<https://ehqmc.usmc.mil/org/pr/fiscalops/accounting/ar/default.aspx> and take appropriate action to correct the outstanding abnormal conditions and implement process improvements.

1105. Open-Up Actions. Open-up actions are those steps required to facilitate account roll-over and funding availability in the new FY.

1. No later than 30 March of any FY, the Comptroller must ensure the TON Table has been established to accept the upcoming FY, if applicable. This is essential to create travel orders that cross over into the new FY (i.e., multiple year travel orders).

2. During the fourth quarter, all spending tables must be updated to establish the new-year data elements. This will not only enable the input of commitments and obligations in the new FY, but also it is necessary to post authorizations for the new FY. Upon the first accounting cycle for the new year, all system-generated obligations will be processed. If the tables are not updated, the transactions will fail to the error reports. If pending transactions do not appear on the Active File or an error file, contact the Comptroller.

3. Establish specific RONS (e.g., FTP, RMD, AGR, SIS, IMT, etc.) for the upcoming FY in the accounting system, if applicable. Ensure that specific RONS for closing/canceling FYs are closed by requesting adjustment of authority to what has been obligated, expensed, billed, and collected.

4. Establish all RONS that have Civilian Labor costs (e.g., family housing) for the upcoming FY in the accounting system to ensure a smooth transition and posting of initial labor expenses. It is not necessary to have the customer's document number or an authorized amount to accomplish these pre-loads.

1106. Year-End Certification of Authorizations, Obligations, and Unobligated Balances. Allotment/OPBUD holders are required to submit an annual certification of authorizations, commitments, obligations, expenses, and unobligated balances for the period ending 30 September of the current FY.

1. Commands are required to certify down to the Funding Function level. Commands will utilize the RFA application at: <https://ehqmc.usmc.mil/org/pr/fiscalops/accounting/yec/default.aspx> to obtain the certification reports required for certification purposes.

2. Major commands will consolidate and certify for subordinate commands by memo only.

3. This year-end certification will not serve as a TAR review submission for the period ending 30 September, as that is a separate and distinct requirement.

4. The certification statement is to be signed and dated by the commander or a representative authorized to sign by direction of the commander and should read:

"I hereby certify that the amounts in the official certification execution cube report for Fund Holder M##### are correct for the following appropriations with the exceptions, if any, footnoted on a copy of the report as an enclosure to the memo. All known transactions meeting the criteria of documentary evidence for government obligations have been obligated and are so reported."

5. Commands are required to be vigilant for Naval Message Traffic that communicates year-end certification procedures and reporting requirements. Commands will provide a signed copy of the certification letters as an e-mail attachment to the appropriate reporting section, as identified through the respective naval messages.

1107. Source Documentation. Refer to the Source Document Matrix (APPENDIX D) for more information.

1108. Financial Systems. The SABRS, DCPDS, and DCPS financial systems are used throughout the year-end closing process. For more information on the feeders systems, please refer to the SABRS Feeder System Manual in APPENDIX C.

1109. Audit Readiness/Control Objectives. To ensure timely and accurate recording and reporting of financial information, commands must develop, deploy, and implement internal controls to achieve the following objectives:

1. Ensure compliance with reference (y) and other approved Federal guidelines.
2. Ensure compliance to all Federal appropriation language.
3. Ensure all business processes / practices conform to approved documentation.
4. Ensure all transactions are properly documented.
5. Ensure documentation and record retention requirements cited in reference (g) are met.

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6. Ensure all worksheet and supporting documentation must be maintained per the record retention policies, and be available upon request.
7. Ensure any and all deficiencies within the documentation are identified and properly reported.
8. Ensure roles and responsibilities are documented and all staff is trained and acknowledge their respective roles and responsibilities regarding USMC FM.
9. Ensure funds are available and are the correct fund type.
10. Ensure all reconciliations are performed and properly documented.

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Appendix A

List of Acronyms

A&R	HQMC P&R RFA, Analysis and Review Section
AAA	Authorized Accounting Activity
AAC	Activity Address Code
ACC	Accounting Classification Code
ACO	Administrative Contracting Officer
ACRN	Accounting Classification Reference Number
ADA	Antideficiency Act
ADS	Automated Disbursing System
AG	Activity Group
ALOA	Alternate Line of Accounting
AMC	Air Mobility Command
A/OPC	Agency/Organization Program Coordinator
AO	Approving Official
APC	Agency Program Coordinator
APPN	Appropriation Symbol
A/R	Analysis and Review
ARI	Allotment Recipient Identifier
ASN (FM&C)	Office of the Assistant Secretary of the Navy (Financial Management and Comptroller)
ASN (RD&E)	Office of the Assistant Secretary of the Navy (Research, Development, and Acquisition)
AT	Annual Training
ATM	Automated Teller Machine
AUID	Allocation Unique Identifier
BA	Budget Activity
BCN	Bureau Control Number
BEA	Budget Execution Activity
BESA	Budget Execution Sub-Activity
BIC	Billet Identification Code
BLI	Budget Line Item
BP	Budget Project
BPA	Blanket Purchase Agreement
BRAC	Base Realignment and Closure
BRC	Budget Reporting Code
BSA	Budget Sub-Activity
BSM-E	Business System Modernization - Energy
BSO	Budget Submitting Office
C4	Command, Control, Communications, and Computers
CAA	Continuing Appropriations Acts
CAC	Cost Account Code
CAPS-W	Computerized Accounts Payable System-Windows
CAR	Continuing Appropriations Resolutions
CBA	Commercially Billed Account

CBL Commercial Bill of Lading
CCO Chief of Contracting Office
CERP Commander's Emergency Response Program
CFR Code of Federal Regulations
CGRI Commanding General Readiness Inspection
CIF Common Interface File
CLIN Contract Line Item Number
CMA Centrally Managed Allotment
CMC Commandant of the Marine Corps
CMOB Centrally Managed Operating Budget
CNO Chief, Naval Operations
CO Certifying Officer
CPRRS Civilian Personnel Resource Reporting System
CRA Continuing Resolution Authority
CSR Customer Service Representative
CPM Component Program Manager
CTO Commercial Travel Office
D&F Determinations and Findings
DAO Departmental Accountable Official
DBA Davis Bacon Act
DC Deputy Commandant
DC I&L Deputy Commandant, Installations and Logistics
DC M&RA Deputy Commandant, Manpower and Reserve Affairs
DC P&R Deputy Commandant, Programs and Resources
DC PP&O Deputy Commandant, Plans, Policies and Operations
DCAS Defense Cash Accountability System
DCMA Defense Contract Management Agency
DEC Data ElementChange
DECC Defense Enterprise Computing Center
DD Deputy Director
DCPDS Defense Civilian Personnel Data System
DCPS Defense Civilian Payroll System
DESC Defense Energy Support Center
DFARS Defense Federal Acquisition Regulation SupplementDFAS
Defense Finance and Accounting Service
DFAS-CL Defense Finance and Accounting Service, Cleveland
DFAS-CO Defense Finance and Accounting Service, Columbus
DIC Document Identifier Code
DISA Defense Information Systems Agency
DIY Do-It-Yourself
DLA Defense Logistics Agency
DMM Debt Management Monitor
DMO Distribution Management Office
DO Disbursing Officer
DoD Department of Defense
DoDAAC Department of Defense Activity Address Code
DoD FMR Department of Defense Financial Management Regulation

DoDI	Department of Defense Instruction
DOL	Department of Labor
DON	Department of the Navy
DRPMS	Direct Reporting Program Managers
DSS	Defense Supply Systems
DSSC	Direct Support Stock Control
DSSN	Disbursing Station Symbol Number
DTA	Defense Travel Administrator
DTC	Document Type Code
DTMO	Defense Travel Management Office
DTS	Defense Travel System
DUID	Demand Unique Identifier
DUNS	Data Universal Numbering System
EDA	Electronic Document Access
EDC	Estimated Date of Completion
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
FAD	Funding Authorization Document
FAR	Federal Acquisition Regulation
FASA	Federal Acquisition Streamlining Act
FAST	Federal Account Symbols and Titles
FBWT	Funds Balance with Treasury
FC	Fund Code
FDTA	Finance Defense Travel Administrator
FECA	Federal Employees' Compensation Act
FFMIA	Federal Financial Management Improvement Act
FII	Financial Improvement Initiative
FIP	Financial Information Pointer
FISC	Fleet Industrial Supply Center
FM	Financial Management
FM&C	Finance Management and Comptroller
FMB	Financial Management - Budget
FMO-D	ASN (FM&C) DFAS Site Support Division
FMRO	Financial Management Resource Officer
FMS	Financial Management Service
FO	Finance Office
FSC	Federal Supply Classification
FSMAO	Field Supply and Maintenance Analysis Office
FSRM	Facilities, Sustainment, Restoration, and Modernization FTP File Transfer Protocol
FY	Fiscal Year
FYDP	Future Year Defense Program

G4 Logistics
G8 Resources
GAAP Generally Accepted Accounting Principles
GAO Government Accountability Office
GBL Government Bill of Lading
GCPC Government Commercial Purchase Card
GCSS-MC Global Combat Support System-Marine Corps
GL General Ledger
GOALS II Government On-Line Accounting Link System II
GRSC Garrison Retail Supply Chain
GSA General Services Administration
GTCC Government Travel Charge Card
GTR Government Transportation Request
HA Head of Activity
HCA Heads of Contracting Activity
HHG Household Good
HQ Headquarters
HQMC Headquarters, Marine Corps
HROM HQMC M&RA, Human Resources and Organizational Management Branch

I&L HQMC, Installations and Logistics
IA Inter-Agency Agreement
IBA Individually Billed Account
ICOFR Internal Control Over Financial Reporting
ICP Inventory Control Point
IDB Interdepartmental Bill
IDT Inactive Duty Training
IG Inspector General
IPAC Intra-Governmental Payment and Collection
IPIA Improper Payment Information Act
ISSA Inter-Service Support Agreement
IT Information Technology
JARB Joint Acquisition Review Board
JCS Joint Chiefs of Staff
JFTR Joint Federal Travel Regulations
JNLU Job Order Number/Local Use
JON Job Order Number
JTR Joint Travel Regulations
JV Journal Voucher
KO Contracting Officer
LB HQMC I&L, Contracts
LCS Labor Cost Shortfall
LDTA Lead Defense Travel Administrator
LOA Line of Accounting
LOGCOM Marine Corps Logistics Command
LP HQMC I&L, Logistics, Plans and Policy Strategic Mobility Division

LPD HQMC I&L, Logistics Distribution Branch
LPD-2 HQMC I&L, Personal Property and Passenger
LT Leadtime
M&RA HQMC, Manpower and Reserve Affairs
M&S Materials and Services
MAGTF Marine Air Ground Task Force
MAJ-RSC Major Reimbursable Source Code
MARCORSYSCOM Marine Corps Systems Command
MCB Marine Corps Base
MCAS Marine Corps Air Station
MCB Marine Corps Base
MCCS Marine Corps Community Services
MCICOM Marine Corps Installations Command
MCFEAT Marine Corps Financial Evaluation and Analysis Team
MCFCS Marine Corps Field Contracting System
MCMIC Marine Corps Managers' Internal Control
MCO Marine Corps Order
MCPC Marine Corps Programming Code
MCPDT Marine Corps Permanent Duty Travel System
MCPRT Marine Corps Payroll Reconciliation Team
MCRATS Marine Corps Reserve Activation Travel Section
MCTFS Marine Corps Total Force System
MDMR Monthly Debt Management Report
MEF Marine Expeditionary Force
MIF HQMC M&RA, Travel Management Section
MILPAY Military Pay
MILS Military Standard Logistics System
MILSTRIP Military Standard Requisitioning and Issue Procedures
MIPR Military Interdepartmental Purchase Request
MLG Marine Logistics Group
MMEA HQMC M&RA, Manpower Management, Enlisted Assignment
Branch
MMS Manpower Management System
MOA Memorandum of Agreement
MOCAS Mechanization of Contract Administration Services
MOS Military Occupation Specialty
MOU Memorandum of Understanding
MPMC Military Personnel, Marine Corps
MRC Material Release Confirmation
MRI Major Command Recipient Identifier
MRO Material Release Order
MROWS Marine Reserve Order Writing System
MSC Military Sealift Command
NAF Non-Appropriated Funds
NAFI Non-Appropriated Fund Instrumentality
NAVAIR Naval Air Systems Command
NAVMC Navy, Marine Corps

NAVSEA Naval Sea Systems Command
NAVSUPSYSCOM Naval Supply Systems Command
NDEA Non-DTS Entry Agent
NOA New Obligational Authority
NSN National Stock Number
NULO Negative Unliquidated Obligation
NWCF Navy Working Capital Fund
O&M Operation and Maintenance
O&M,MCR Operation and Maintenance, Marine Corps Reserve
O&M,MC Operation and Maintenance, Marine Corps
O&M,N Operation and Maintenance, Navy
OC Object Class
OC/SOCC Object Class/Sub-Object Class Code
OCC Object Class Code
OCHR Office of Civilian Human Resources
OMB Office of Management and Budget
OOS Out-of-ServiceOPBUD Operating Budget
OPM Office of Personnel ManagementOpsDep Operations
Deputy
OPTAR Operating Target
OSD Office of the Secretary of Defense
OTA Outstanding Travel Advance
OTO Outstanding Travel Order
OUSD Office of the Under Secretary of Defense
OUID Organization Unique Identifier
P&R Programs and Resources
PA&E Program Analysis and Evaluation
PAA Property Accounting Activity
PANMC Procurement of Ammunition, Navy and Marine Corps
PBAS Program Budget Accounting System
PBDD Program Budget Development Database
PBIS Program Budget Information System
PCAS Purchase Card Automation System
PCO Procuring Contracting Officer
PCS Permanent Change of Station
PDT Permanent Duty Travel
PEN Program Element Number
PEO Program Executive Officer
PIIN Procurement Instrument Identification Number
PKI Public Key Infrastructure
PM Program Manager
PMC Procurement, Marine Corps
PME Professional Military Education
POA Proceed On or About
POM Program Objective Memorandum
POV Privately Owned Vehicle
PP&O Plans, Policies and Operations

PPA Prompt Payment Act
PPBE Planning, Programming, Budgeting, and Execution
PPBES Planning/Programming/Budgeting/Execution System
PPR Post Payment Review PR Purchase Request
PR Builder Purchase Request Builder
PSI PowerTrack Summary Invoice
RA Receipt and Acceptance
RBC Reimbursable Billing Code
RBE Budget and Execution Division
RC Reserve Component
RCO Regional Contracting Office
RDT&E,N Research, Development, Test, and Evaluation, Navy
REA Research, Evaluation, and Analysis
RF ADC Resources Financial Assistant Deputy Commandant
RFA HQMC P&R, Accounting and Financial Systems Branch
RFC HQMC P&R, Budget and Congressional Coordination
Branch
RFD HQMC P&R, Fiscal Division
RFE HQMC P&R, Budget Execution
RFF HQMC P&R, Finance Branch
RFI HQMC P&R, Investment Branch
RFK HQMC P&R, Risk and Compliance Branch
RFM HQMC P&R, Military Personnel Branch
RFO HQMC P&R, Operation and Maintenance Branch
RIC Routing Identifier Code
RM Resource Manager
RMP Management and Productivity Branch
RO Reviewing Official
ROICC Regional Officer in Charge of Construction
RON Reimbursable Order Number
RP ADC Resources Programs Assistant Deputy Commandant
RPA HQMC P&R, Program Assessment Branch
RPMC Reserve Personnel, Marine Corps
RPS HQMC P&R, Strategic Assessment Branch
RRE Refund Receivable
RSC Reimbursable Source Code
RSSS Requirements, Systems and Support Section
RUC Reporting Unit Code
RWO Reimbursable Work Order
SA Suballotment Number
SAM Support Agreement Manager
SASSY Supported Activities Supply System
SAB1TRVL SABRS One Travel Order Writing System
SABRS Standard Accounting, Budgeting, and Reporting System
SAG Sub-Activity Group
SAO Self-Authorizing Official
SBR Statement of Budgetary Resources

SCRT Standard Contract Reconciliation Tool
SDDC Surface Deployment Distribution Command
SDN Standard Document Number
SF Standard Form
SFIS Standard Financial Information Structure
SFTP Secure File Transfer Protocol
SIC Special Interest Code
SIDI HQMC P&R RFA, Systems Integration Data Integrity
SLDCADA Standard Labor Data Collection and Distribution
Application
SLIN Subline Item Number
SMARTS SABRS Management Analysis Retrieval Tools System
SME Subject Matter Expert
SMU Supply Management Unit
SoF Status of Funds
SOCC Sub-Object Class Code
SOP Standard Operating Procedure
SPAWAR Space and Naval Warfare Systems Command
SPIIN Supplementary Procurement Instrument Identification
Number
SPS Standard Procurement System
SRI Suballotment Recipient Identifier
SSIC Standard Subject Identity Code
STARS-FL Standard Accounting and Reporting System - Field
Level
SUBOPBUD Suboperating Budget
SYSID Source System Identifier Code
TAC Transportation Account Code
TAD Temporary Assigned Duty
TAR Tri-Annual Review
TDY Temporary Duty
TECOM Training and Education Command
TEEP Training and Exercise Employment Plan
TFM Treasury Financial Manual
THC Type Hour Code
TMO Transportation Management Office
TMS Transportation Management System
TO Table of Organization
TOA Total Obligational Authority
TON Travel Order Number
ToP Transportation of PeopleToT Transportation of Things
TPN Trading Partner Number
TTC Transaction Type Code
TVCB Transportation Voucher Certification Branch
UIC Unit Identification Code
ULO Unliquidated ObligationUMD Unmatched Disbursement
User-ID User Identification Code

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USMC	United States Marine Corps
WAWF	Wide Area Workflow
WAWF-MP	Wide Area Workflow - Miscellaneous Pay
WCF	Working Capital Fund
WCI	Work Center Identifier
WCMR,N	Wildlife Conservation on Military Reservations, Navy
WEX	Wright Express
WR	Work Request
WYPC	Work Year and Personnel Costs

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Appendix B

Glossary

ACCOUNTING CLASSIFICATION CODE (ACC). The ACC, commonly referred to as LOA, identifies who is spending the funds, who is performing the accounting, the appropriation to be charged, and the FY. An ACC is comprised of ten elements: ACRN, APPN, Subhead, OCC, BCN, SA, AAA, TTC, PAA, and CAC.

ACCOUNTING CLASSIFICATION REFERENCE NUMBER (ACRN). A two-digit, alphanumeric code (excluding alpha I's, O's, and "FR" reserved for freight or transportation charges) that uniquely identifies a LOA data code cited during all stages of processing accounting transactions. The combination of SDN and ACRN is used to capture unique accounting transactions to its proper ACC.

ACCOUNTING REGISTERS. Records of expenditures, collections, and adjustments normally maintained by disbursing officer Also called allotment registers and disbursing registers.

ACCOUNTS PAYABLE CODE. A one-digit code used to identify the type of accounts payable. The codes are as follows:

- G - Accounts Payable - Government
- P - Accounts Payable - Public

ACCRUAL ACCOUNTING. The method of accounting whereby: (1) operating costs are accounted for in the fiscal period during which the benefits are received (cost of resources consumed or applied); (2) costs for which the benefits are applicable to future periods are deferred and considered as assets; (3) liabilities for unpaid costs are recorded in the accounts when goods or services are received; and (4) income for work or services performed in a reimbursable order is recorded in the accounts when reimbursable expenses are incurred.

ACTIVITY ADDRESS CODE (AAC). A six-position code assigned to identify specific units, activities, or organizations authorized to direct, ship, or receive material, documentation, or billing. The first position of the code is the service assignment code (M for the Marine Corps); the other five positions identify the units, activities, or organizations within the service specified by the service assignment code.

ACTIVITY GROUP (AG). The AG is a two-digit code used to represent a major category within a command's budget. It classifies cost into broad areas that allow reporting of obligation and expense

information required by the DoD or to fulfill the management information requirements imposed by the Navy or HQMC.

ALLOTMENT. The authority, expressed in terms of a specific amount of funds granted to a commander by the Commandant, to obligate and expend funds for a particular purpose. Obligation and expenditure of the funds may not exceed the amount specified in the allotment, and the purpose for which the authorization is made must be adhered to. Within HQMC, allotments are issued by subhead administrators.

ALLOTMENT HOLDER. The commander or individual to whom an allotment is issued and who is responsible for the proper disposition of the allotment.

ALLOTMENT RECIPIENT. A command that receives an allotment or OPBUD from a Major Command Recipient. Marine Corps Installations East and Marine Corps Installations West are examples of Allotment Recipients. Major Command Recipients are also Allotment Recipients when they pass funds to themselves. An example of a Major Command Recipient who passes funds to themselves as an Allotment Recipient is Commander, Marine Forces Pacific.

ALLOTMENT RECIPIENT IDENTIFIER (ARI). A 6-digit, alphanumeric code that identifies the installation/activity receiving funds from the Major Command Recipient. The ALLOT-RECIP-ID is the UIC of the activity that is receiving funds.

ANNUAL APPROPRIATION. These appropriations are generally used for current administrative, maintenance, and operational programs. Annual appropriations are available for incurring new obligations for only one FY. The term "new obligation" means the initial order, requisition, or contract to another command, government agency, or private business to obtain a good or service needed by the command for mission support or mission accomplishment. New obligations can only be created during the period of 1 October through 30 September for an annual appropriation. However, annual appropriations can have payments made against them for an additional five years beyond the authorized FY. This occurs when goods and services are received and accepted following the close of the FY in which the appropriation was authorized.

APPORTIONMENT. A determination by the OMB as to the amount of obligations which may be incurred during a specified period under an appropriation, contract authorization, other statutory authorizations, or a combination thereof. An apportionment may relate either to all obligations to be incurred during the

specified period within an appropriation account or to obligations to be incurred for an activity, function, project, object or combination thereof.

APPROPRIATION SYMBOL (APPN). A seven-digit, alphanumeric code assigned by the Treasury to uniquely identify a congressionally approved appropriation that is being charged by the source transaction. The APPN is comprised of a two-digit, numeric department code; a one-digit, numeric FY code (i.e., the last digit of the FY); and the four-digit, numeric Treasury symbol.

AUDIT TRAIL. A term used in auditing that refers to the checking procedures involved in an actual audit. For example, an audit trail might first go from a financial statement to a GL, next to a subsidiary ledger, then to a disbursing register, and finally to a source document.

AUTHORIZED ACCOUNTING ACTIVITY (AAA). A six-digit code used to identify the activity responsible and authorized to perform accounting functions for the Fund Holder.

BASIC SYMBOL SPONSOR. A 6-digit, alphanumeric field that identifies the unit that will become responsible for the total budget authority delegated to them from HQMC.

BONA FIDE NEED RULE. A FY appropriation may be obligated only to meet a legitimate, or *bona fide*, need arising in, or in some cases arising prior to but continuing to exist in, the FY for which the appropriation was made.

BUDGET. A plan of financial operations showing in dollars the estimates of funds needed to carry out the assigned mission, or missions, over a specified period of time.

BUDGET ACTIVITY (BA). This is a division of an appropriation that is identified by a symbol called a subhead.

BUDGET ACTIVITY (BA) CODE. A 2-digit, alphanumeric field that identifies the functions or areas an appropriation is to fund.

BUDGET EXECUTION ACTIVITY (BEA). BEAs are subdivisions of WCIs. Legal responsibility for the proper management of the funds is retained by the OPBUD or SUBOPBUD holder. An example of a BEA is a battalion within a division.

BUDGET EXECUTION SUB-ACTIVITY (BESA). BESAs are subdivisions of BEAs. BESAs are established whenever detailed identification of

costs below the BEA is desired. An example would be assigning companies (i.e., the BESA) within a battalion (i.e., the BEA) to collect detailed costs of operating each company so the battalion can manage funds more effectively.

BUDGET PROJECT (BP). Budget activities are divided into one or more projects, called BPs. Its purpose is to develop more detailed data essential to the administration and control of an appropriation.

BUDGET REPORTING CODE (BRC). This is a two-digit code that is used to track and collect all costs associated with a specific, high-interest program regardless of command, BEA, or FC. If the BRC is assigned by HQMC, the code must be represented as alpha-alpha or alphanumeric. If the BRC is assigned by a local command, the BRC must be represented as numeric-numeric or numeric-alpha. By use of a standard BRC code throughout the Marine Corps, all costs and financial information pertaining to operations (e.g., Desert Storm) or specific exercises (e.g., Team Spirit) can be captured and quickly identified at the HQ level. The BRC is an optional field in the data elements.

BUDGET YEAR. The year following the current FY, and for which the budget estimate is prepared. For example, if the current FY is 2007, the budget year would be FY 2008.

BUREAU CONTROL NUMBER (BCN). A 5-digit numeric field used to identify the holder of the funds or OPBUD. For allotment holders, the first two alphanumeric digits of the BCN are the BP and the last three numeric digits are the allotment holder.

COMMITMENT. A firm administrative reservation of funds, based upon firm procurement directives, orders, requisitions, authorizations to issue travel orders, or requests which authorize the recipient to create obligations without further recourse to the official responsible for certifying the availability of funds. The act of entering into a commitment is usually the first step in the process of spending available funds. The effect of entering into a commitment and the recording of that commitment on the records of the allotment is to reserve funds for future obligations. A commitment is subject to cancellation by the approving authority to the extent that it is not already obligated.

COMPLETED FILES. Completed files consist of all source documents that have had commitments, obligations, expenses, and liquidations processed and validated for accuracy in the accounting system.

The dollar values will all equal the liquidation amount and there are no other postings expected for the record.

CONDITION CODES (MATERIAL). A code used to indicate the physical condition of material considered and reported as excess to requirements and allowances and/or to be disposed of or redistributed.

CONSTRUCTIVE BILLING. Intra-DoD, the supplier (i.e., seller) may affect billing for items on the basis of drop from inventory provided that seven days have elapsed since drop from inventory without notification of warehouse denial or other advice of nonavailability.

CONSTRUCTIVE DELIVERY. Will be presumed at the time the issuing supply activity transfers goods to a carrier for delivery to the ordering agency. Used in special cases where a stock fund has not been extended overseas.

CONSUMABLE SUPPLIES. Material which, after issue, is chemically or physically altered with use to the extent that it cannot be economically reused for its original purposes and/or which is not normally returned to a storage or industrial activity for repair. Consumable supplies are either consumed in use or lose their identity in the process of work or in the rendering of service. They include such items as office supplies, lumber, etc. Consumable supplies are generally expended upon issue.

COST ACCOUNT CODE (CAC). CACs are four-digit codes used to classify financial transactions according to their "purpose" and are also used to uniformly identify the contents of management reporting requirements. CACs are the lowest required level of cost categorization and collection used within the accounting system for categorizing why funds were used. CACs also point to specific cost categories in the accounting system called Marine Corps AG and Sub-Activity Group (SAG) codes.

COST ACCOUNTING. A system of accounting, analyzing, and reporting the cost of operation of programs, activities, functions, and organizational units, or the cost of production of goods and services.

COST-BASED BUDGET. A budget formulated on the basis of the cost of goods and services actually to be received during a given period whether paid for before the end of the period or not. Not to be confused with an expenditure-based budget, which is based

upon the cost of goods and services received and actually paid for.

COST CATEGORY. One of three types of costs into which the total cost of a program element is divided: (1) research and development, (2) investment, and (3) operations.

COST CODE. A 12-digit code used for local identification of transactions. For TDY documents, this field will be automatically assigned by the order writing system when the orders are created. For all other types of transactions, this field will be locally determined. It is recommended, however, that commands use the last 12 digits of the document number assigned to the source document in this field. When establishing cost codes for the GCPCs, they should identify the BEA, BESA, and FC.

CROSS-SERVICING. That function performed by one military service in support of another military service for which reimbursement is required from the service receiving support.

DATA ELEMENTS. A collection of data elements that serve as a key to collect and classify funds by the type of funds used and the purpose for which they were executed. Formerly, Financial Information Pointer (FIP).

DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS). DFAS is the official accounting firm for the DoD. DFAS has functional responsibility for DoD finance and accounting policies, procedures, standards, systems, and operations.

DEFENSE WORKING CAPITAL INDUSTRIAL FUND. This revolving fund is established in accordance with requirements of the Secretary of Defense. The Defense Working Capital Industrial Fund provides the working capital to finance the operations of the overhaul and repair facilities at the Marine Corps Logistics bases in Albany, GA and Barstow, CA. The capital is replenished by the funds received as a result of periodic billings to customer activities for work or services the depots have performed.

DEFENSE WORKING CAPITAL STOCK FUND. This revolving fund was initially established by Congress. The Defense Working Capital Stock Fund finances the procurement and inventories of those standard supply and equipment parts of a consumable nature for which there is a recurring demand.

DEPARTMENTAL ACCOUNTABLE OFFICIAL (DAO). DAOs provide information, data, or services that are directly relied upon by

the certifying official in the certification of vouchers for payment. Examples of DAOs include Fund Managers and RMs.

DIRECT APPROPRIATION. An act of Congress authorizing a specified amount of funds to be used for designated purposes, and for payments to be made out of the Treasury. There are six direct Marine Corps appropriations:

Military Personnel, Marine Corps (MPMC)- 1105
Reserve Personnel, Marine Corps (RPMC)- 1108
Operation and Maintenance, Marine Corps (O&M,MC)-1106
Operation and Maintenance, Marine Corps Reserve (O&M,MCR)-
1107
Procurement, Marine Corps (PMC)- 1109
Procurement of Ammunition, Navy and Marine Corps (PANMC)-
1508

DIRECT COST. Those labor, material, or other costs which are directly associated with a facility, piece of equipment, or other specific unit.

DISBURSEMENTS. Payments for goods or services received. Disbursements may be an actual payment in cash, or by government check to a public supplier, or by transfers between appropriations or funds whereby, the funds of a receiving governmental activity are charged and the funds of the performing activity are credited for the value of the goods or services received.

DOCUMENT IDENTIFIER CODE (DIC). A three-digit code on input transactions that specifies the type of transaction and which may also be coded to include further information.

EXPENDITURE. An amount of money actually paid out from an appropriation (e.g., checks drawn or cash expended in payment of bills, transfers from one appropriation to another as a result of obligations).

FEDERAL GROUP. The first two digits of the Federal supply classification (FSC) of the Federal stock number, which indicates a grouping of the Federal stock number by category of material (e.g., group 10 applies to weapons and related weapons material).

FEDERAL STOCK NUMBER. Consists of an applicable four-digit class code number FSC plus the seven-digit Federal item identification number. This number has been replaced by the NSN.

FEDERAL SUPPLY CLASS. A grouping of relatively homogeneous commodities, with respect to their physical or performance characteristics, the relationship of parts/attachments/accessories to the next higher assemblies for which they are specifically designed, or that the items therein are usually procured or issued together.

FEDERAL SUPPLY GROUP. The aggregation of several Federal supply classes into a meaningful grouping for uniform management purposes. (See also Federal Group.)

FUND CODE (FC). This is a two-digit code used to identify the appropriation, subhead, BA/BSA group, and PEN. FCs are a short key that allow collection of information using two digits vice 23 digits (which would be required if the user had to key appropriation, subhead, etc.). FCs are assigned by HQMC RFA. Alpha-alpha codes are used to identify annual appropriations, alphanumeric codes are used to designate multiple year appropriations, and numeric-alpha codes are used to identify no-year appropriations.

FUND MANAGER. Fund Managers are defined as those departments, battalions, regiments, staff sections, etc. that receive a funding authorization from commanders.

FUNDED ACCOUNTS RECEIVABLE. Amounts reimbursable to the performing appropriation resulting from work on reimbursable orders.

FUNDED TRANSACTIONS. Those transactions applicable to reimbursable orders which result in accounts receivable to the performing appropriation.

FUNDING FUNCTION. A 2- to 8-digit, alphanumeric field that is used to identify the purpose for which funds are intended. Funding functions are constructed differently for different appropriations. For the 1106 appropriation, the funding function is a 4-digit code derived from Navy AG and SAG. The first two digits are the AG and the last two digits are the SAG. For example, AG "1A" for Expeditionary Forces and SAG "4A" for Base Support is combined as funding function "1A4A" when dealing with funding for Expeditionary Forces Base Support.

HAZARDOUS DUTY PAY. Payments above the basic rate because of assignments involving hazardous duty.

HISTORICAL COST. The cost of any objective based upon actual dollar or equivalent outlay ascertained after the fact.

INDIRECT APPROPRIATION. This is an appropriation that is provided to an activity other than the Marine Corps (e.g., the Navy), but the Marine Corps receives support from the appropriation (e.g., O&M,N) goes to support naval dispensaries that are located at MCBS.

INITIATIONS. Administrative reservations of funds based upon procurement directives or equivalent instruments, which authorize preliminary negotiations looking toward the creation of obligations but providing for recourse to the official responsible for administrative control of funds prior to incurrence of the obligations. The term refers also to the authorization action.

INTERDEPARTMENTAL BILLING (IDB) TRANSACTIONS. Transactions involving credits to the stock fund/appropriation of a military department, DLA, or GSA, with contra-charges to the appropriation or fund of another military department, DLA, or GSA.

INTERNAL MANAGEMENT CONTROL. The organization, policies, and procedures used to reasonably ensure that programs achieve the intended results; resources are used consistent with Marine Corps' mission; P&R are protected from fraud and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, recorded, maintained, reported and used for decision-making. Management controls, in the broadest sense, include the plan of organization, and the methods and procedures adopted by management to ensure its goals are met. Management controls include processes for planning, organizing, directing and controlling program operations. Some subsets of management controls are the internal controls used to assure that there is prevention or timely detection of unauthorized acquisitions, use or disposal of the entity's assets.

INTERSERVICE SUPPLY SUPPORT. Action by one military service/agency or echelon thereof to obtain material from another military service/agency or echelon.

INTRASERVICE SUPPLY SUPPORT. Action by an echelon of a military service/agency to obtain material from another echelon of the same military service/agency.

INVENTORY CONTROL POINT (ICP). The organizational element within the distribution system that has been assigned the responsibility for system-wide direction and control of material. The Marine Corps ICP is located at the Marine Corps Logistics Base, Albany, Georgia.

INVOICE. An accounting document showing particulars of property transferred or services rendered, setting forth the date, quantity, description, price, and total amount, together with the terms of the transaction (including discount, if any, and reference to the applicable contract or other procuring instrument) and an accounting document used to transfer accountability for Marine Corps supplies and equipment from one accountable unit to another.

JOB ORDER NUMBER/LOCALUSE(JNLU) CODE. This is a four-digit, alphanumeric code that serves the dual purpose of tracking work performed by facilities through the job number and tracking individual activities through the local use code. These codes are determined at the local command level. The JNLU code is an optional field in the data elements.

JOURNAL VOUCHER (JV). The sole input device for posting of accounting transactions to the GL file. All entries placed on the JV must be supported by source documents.

JULIAN DATE. The Julian Date is composed of a 1-digit calendar year (e.g., 1 represents calendar year 2001) followed by the current, 3-digit Julian Date (e.g., 001 represents 01 January, 365 represents 31 December except for leap year).

LABOR ACCELERATION. The amount of money that a civilian is actually paid represents only a portion of the liability of the government. For example, since civil servants may accrue up to 30 days of leave for which they must be paid if they retire or leave government service, then the government must set aside funds to provide for this eventuality. Also, the government must provide for its share of fringe benefits (i.e., insurance, health benefits, Social Security, etc.). For these reasons, labor charges must be increased and accelerated to provide for these liabilities.

LEADTIME (LT). A term used in organic supply accounting that means the same as either: (1) order and shipping time (i.e., the time elapsing between the initiation, on the supply system, of stock replenishment action for a specific activity and the receipt of the material by that activity); and (2) the time elapsing

between the initiation, on a source outside the supply system, of stock replenishment action for a specific activity and the receipt of the material by that activity. The LT quantity is the computed quantity and is determined by relating the LT to ARMD quantity. If, for example, the LT is 15 days and the AMRD is 20, then the LT quantity is 10.

LEVEL OF MAINTENANCE CLASSIFICATION (LMC) CODE. A letter (from A through E) representing the level at which each facility at an activity is to be maintained based on the support it provides to the activity mission.

MAINTENANCE. The recurring day-to-day, periodic, or scheduled work required to preserve or restore a facility to such condition that it may effectively be used for its designated purpose. Includes work undertaken to prevent damage to a facility which otherwise would be more costly to restore.

MAINTENANCE FLOAT (SECONDARY REPARABLE ITEMS). A pool of reparable components, which includes serviceable items, used to replace like unserviceable items on an exchange or rapid turnaround basis and the unserviceables that are awaiting repair.

MAJOR CLAIMANT. A Major Claimant is a command which is designated as an Administering Office. Since the Marine Corps is a small organization compared to the other services, HQMC assumes the role of Responsible Office, Administering Office, and Major Claimant. Major Claimants are allowed to issue OPBUDs and allotments which provide funding authority from a specific appropriation to a command to accomplish its mission. OPBUD/allotment authority is expressed in terms of a specific amount granted to incur obligations and payments in support of assigned missions and functions.

MAJOR COMMAND RECIPIENTS. A major command recipient is a command that receives its funds directly from HQMC. Major command recipients may pass funds to ARIs within their command if applicable. Examples of major command recipients include: Commander, Marine Forces Pacific; Commander, Marine Forces Command; Commander, Marine Corps Material Command; Marine Corps Recruit Command; and Marine Corps Combat Development Command.

MAJOR COMMAND RECIPIENT Identifier (MRI). A 6-digit, alphanumeric field that identifies the Major Command Recipient that receives its funds directly from HQMC. The MCC-RECIP-ID is the UIC of the command receiving funds.

MAJOR REIMBURSABLE SOURCE CODE (MAJ-RSC). A single-digit, alphanumeric field that identifies the sources, by general category, of the funds with which one activity is reimbursed for work, services, or goods.

MANAGEMENT REPORT. A brief and condensed summary of pertinent data and information periodically prepared for the use of management personnel upon which action is initiated to achieve greater productivity and economy.

MATERIAL RELEASE CONFIRMATION (MRC). A notification from a storage site advising the originator of a material release order of the positive action taken on the order. It will also be used, with appropriate shipment status DICs, as a reply to a follow up initiated by the ICP.

MATERIAL RELEASE ORDER (MRO). An order issued by an accountable supply system manager (usually ICP or accountable depot) directing a nonaccountable activity (usually a storage site) within the same distribution complex to release the ship material.

MILITARY PERSONNEL, MARINE CORPS (MPMC). MPMC is an annual appropriation that provides for the pay, allowances, clothing, subsistence, and PCS movements.

MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURES (MILSTRIP) DOCUMENT NUMBER. A 14-digit MILSTRIP document number is assigned to requisitions processed through a government source of supply and for open purchase requisitions.

MONEY VALUE ONLY. A term used in inventory valuation. It pertains to items that are not accounted for on an individual basis, usually because they are too numerous to count individually (e.g., nuts, bolts, nails, pins, etc.).

MOUNT-OUT STOCKS. That quantity of equipment and supplies which is required to outfit and sustain an Operating Force in an amphibious assault or commitment to mount-out material to be held by Operating Forces is comprised of initial allowances and 30-day replenishment.

MULTIPLE YEAR APPROPRIATIONS. These appropriations are available for incurring obligations for a definite period in excess of one FY. Multiple year appropriations provide funds for weapons, ammunition, and other major items required by the Operating Forces and finance the research into advanced combat weaponry and equipment.

NEW OBLIGATIONAL AUTHORITY (NOA). Authority becoming newly available for a given year, provided by current and prior actions of Congress, enabling Federal Agencies to obligate the government to pay out money.

NO-YEAR APPROPRIATION. Also known as continuing appropriations. These appropriations are more accurately described as revolving funds. Revolving funds finance a cycle of operations in which the original no-year funds are used and then replenished through reimbursements and collections from other appropriations. This process allows the revolving fund to be self-sufficient once it is established by Congress. The theory of a revolving fund is that, once it is established, no future authorization of funds is required to supplement the original established fund principal to cover the cost of increasing prices (i.e., inflation), changes in requirements due to advanced technology, and changes in the mission.

NONAPPROPRIATED FUNDS. Funds other than those appropriated by Congress, which are established by competent authority for the welfare, comfort and/or recreation of military personnel or civilian employees. Examples are Marine Corps exchanges, clubs and messes, recreation, and civilian cafeterias.

OBJECT CLASS CODE (OCC). A three-digit code that defines the nature of the services or supplies and materials purchased (e.g., 210 is Travel). For collections, the RSC preceded by two zeros will be used.

OBJECT CLASS/SUB-OBJECT CLASS CODE(OC/SOCC). A four-digit code that classifies financial transactions in terms of the nature of the services or articles for which obligations are incurred. The first two digits identify the OC (i.e., the type of expense being incurred such as supplies, equipment, Civilian Labor, etc.) and the last two digits define the Sub-object Class (i.e., the source or specific nature of the services ordered such as "supplies are ordered from Army Stock items," "fuel being purchased is diesel," etc.).

OBLIGATION. An obligation is a firm, legally binding agreement between parties for the acquisition of goods or services. This phase of the transaction cycle is important in that when an official document describing a financial transaction exists, the government is legally and contractually liable for the amount shown on the source document. Once funds are obligated, the official unobligated available balance of the Fund Manager/RM's account is decreased. Commands with obligations in excess of

authorizations will be subject to violations of section 1517 of reference (c). An obligation may be de-obligated when both parties agree and supporting documentation is provided to update the accounting system.

OPERATION AND MAINTENANCE, MARINE CORPS (O&M,MC). This appropriation provides funds to finance the costs of O&M of each USMC activity, exclusive of military personnel costs. It is used to buy from the stock fund, purchase utilities, make open market purchases, and finance TDY.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE (O&M,MCR). Used for the same kinds of things for Reserve units as the O&M,MC appropriation provides for Regular Marine Corps activity.

OPEN ALLOTMENT. An allotment administered by HQMC. Those commanders authorized to do so by CMC, charge the allotment for goods and services within the limits specified by CMC. While commanders are held responsible through the military chain of command for their use of these funds, they are not legally liable for over obligation as cited under section 1517 of reference (c).

OPERATING BUDGET (OPBUD)/SUBOPERATING BUDGET (SUBOPBUD). An OPBUD is the annual budget of an activity (responsibility center) stated in terms of functional/subfunctional categories and cost accounts. It contains estimates of the total value of all resources required for the performance of the mission of an activity, including reimbursable work and/or services for others. OPBUDs are issued by HQMC to all responsibility centers. SUBOPBUDs are issued by designated responsibility centers to certain subordinate commands (e.g., MARFORPAC may issue SUBOPBUDs to all Marine divisions, wings, and bases under its command).

OVERHEAD. Costs that are chargeable to the O&M of an activity's own plant and are not attributable to a specific job.

OVEROBLIGATION. Any action that results in raising the total of obligations so that it exceeds the amount of authorized funds. Prohibited by law and regulation under penalty of punitive action.

PENDING FILE. Pending files consist of all source documents that have or have not been entered into the accounting system, but have not been verified as part of the cyclic reconciliation.

PLANNING ESTIMATE/OPERATING TARGET (OPTAR). An amount of money subject to administrative control that is issued to a level below the cost center as determined by the OPBUD/SUBOPBUD holder or is

issued to specific Marine Corps organizations not included in any responsibility center.

PLANNING ESTIMATE LETTER. An administrative means of subdividing an allotment. The grantor retains accounting and legal responsibility under the provision of 31 USC 1517.

PLANNING/PROGRAMMING/BUDGETING/EXECUTION SYSTEM (PPBES). An integrated system for the establishment, maintenance, and revision of the FYDP and the DoD budget.

PLANT PROPERTY CLASSES. For management, financial, and technical control purposes, plant property items and expenditures therefore are divided into the following four classes: (1) land - Plant Property Class 1; (2) buildings, structures, and utilities - Plant Property Class 2; (3) equipment (other than industrial plant equipment) - Plant Property Class 3; and (4) industrial plant equipment - Plant Property Class 4.

PROCUREMENT, MARINE CORPS (PMC). PMC is a multiple year appropriation that provides for the purchase of major items of equipment and ammunition. Major items are classed as investment items and include such things as rifles, tanks, trucks, radios and guided missile equipment. It should be noted that Marine Corps airplanes are provided by the appropriation Aircraft Procurement, Navy, and not PMC.

POSTED FILES. Posted files consist of all source documents that have had commitments, obligations, expenses, and/or partial liquidations processed and validated for accuracy in the accounting system.

PRIORITY CODE. A two-digit code designated to ensure that requirements are processed in accordance with the mission of the requiring activity and the urgency of the need.

PROPERTY ACCOUNTING ACTIVITY (PAA). A six-digit field that is used to identify the AAC of the document. For TDY documents, this field will contain the TON. For equipment purchases that are classified as plant property, place the activity designator code or UIC identifying the activity responsible for plant property accounting. This field may be zero filled.

RECORD. A collection of related data or words treated as a unit (e.g., in stock control). Each invoice could constitute a record.

RECURRING COSTS. Expenses for personnel, material consumed in use, operating overhead, support services, and other items incurred on an annual basis.

REIMBURSABLE BILLING CODE (RBC). This is a one-digit code that is locally assigned for billing purposes used to identify the category of work or services provided and the LOA data to a reimbursable customer based on the RON assigned. This field may reflect the last digit of the customer's ACRN (i.e., customer's ACRN = "AA" than RBC = "A").

REIMBURSABLE OBLIGATION. Obligations incurred in connection with reimbursable work.

REIMBURSABLE ORDER. A reimbursable order or authorization is normally a written agreement between two Federal Agencies or one Federal Agency and a private party (i.e., MOU/) wherein goods or services are provided in exchange for payment. If an MOU/MOA has been negotiated between activities, the performer is bound by the agreement. Copies of current MOAs and MOUs are maintained within the Comptroller Department.

REIMBURSABLE ORDER NUMBER (RON). This is a three-digit, alphanumeric code that is locally assigned to identify a specific request for reimbursable work that has been accepted. A RON must be cited in the data elements for funds that are executed under an accepted reimbursable order. This field is left blank for non-reimbursable data elements. In the case of Specific reimbursables, the RON found in the data elements must be the same as the last three-digits in the 15-digit field RON.

REIMBURSABLE SOURCE CODE (RSC). A single-digit, alphanumeric field that identifies the source(s), by general category, of the funds with which one activity is reimbursed for work, services, or goods furnished to another activity.

REIMBURSEMENTS ANTICIPATED. The amount(s) of reimbursements expected to be earned and collected.

REPORTING UNIT CODE (RUC). In addition to employing UICs prescribed by the DON, the Marine Corps also maintains a unique RUC that is also a five-character, alphanumeric code. RUCs are primarily employed for internal Marine Corps applications such as the Manpower Management System (MMS).

REQUISITIONAL AUTHORITY. The statistical dollar value authority provided Operating Forces using units as a budgetary guide to control and measure the drawdown of organic (SAC 1) material. Does not carry legal or administrative responsibilities.

RESERVATION. An administrative action, which identifies funds set aside for planning purposes prior to the establishment of a commitment or an obligation.

RESIDUAL VALUE. The scrap value of equipment at the end of the economic life of the system.

RESOURCE MANAGER (RM). RMs (or Supply RMs) receive authorized funds, on behalf of the CO, as a resource to accomplish and execute their assigned missions.

RESOURCES. Consists of military and civilian personnel, material on hand and on order, and the entitlement to procure or use material, utilities, and services as required for performance of the basic mission of the responsibility center, as well as work performed for others.

ROUTING IDENTIFIER CODE (RIC). Three-position, alphanumeric codes that serve multiple purposes in that they are "source of supply codes," intersystem routing codes, intrasystem routing codes, and shippers' codes.

RESERVE PERSONNEL, MARINE CORPS (RPMC). An annual appropriation that provides for the pay, allowance, clothing, subsistence, per diem, travel and other related costs for Reserve Personnel of the Marine Corps.

SERVICE UNIT. A term used to identify the MARFOR service element (e.g., MLG, service battalion, or Marine wing support group) that provides support to using units.

SIGNAL CODE. A one-digit code that designates the intended consignee ("ship to") and the activity that should receive and effect payment of bills.

SOURCE DOCUMENTS. Source documents are the evidence of initial input into the accounting process and serve as objective evidence of a transaction. They serve as part of the audit trail should an activity or organization need to prove that a transaction occurred. The source document describes the basic facts of the transaction such as who authorized it, what was the event, when did it occur (the date), where did it occur, why did the event

occur (the purpose), and how much was spent (the amount). Source documents can be categorized as paper or electronic submissions used to accomplish a particular purpose. The electronic submissions are generated by the various mechanized supply systems within the DoD and then interfaced with the accounting system to record the transaction. A Fund Manager/Supply Clerk will establish a requirement at the source of supply (e.g., GCSS-MC) and, as the source fills the requirement, the resident system will generate the source document that will produce a commitment, obligation, expense, or a combination thereof in the accounting system.

SPECIAL INTEREST CODE (SIC). A 3-digit, alphanumeric code that identifies specific functions within the budgetary sub-division field (i.e., MCCS, Health Care, etc.) or other unprogrammed, highly visible issues (i.e., Desert Shield/Desert Storm). The value for this field is the same as the BRC in the financial data elements.

SPECIFIC REIMBURSABLES. Reimbursable transactions not supported by a Specific Order are commonly called "Unfunded reimbursables." Automatic increases to OPBUDs are not authorized for unfunded reimbursable work performed unless specifically provided in the fund authorization.

STANDARD DOCUMENT NUMBER (SDN). The SDN is a 15-digit document number used for all source documents not processed through the supply system.

STANDARD FINANCIAL INFORMATION STRUCTURE (SFIS). The SFIS is the DoD's common business language that includes data elements that support budgeting, accounting, financial reporting, and performance-based management efforts. SFIS elements are grouped around unique identifiers that capture standard data at each financial or business process phase. These phases run from appropriation enactment, allocation distribution, and the transaction cycle consisting of commitment, obligation, expense, and liquidation. Key unique identifiers are: AUID, OUID, and DUID.

STANDARD PRICE. The unit price established by the ICP having inventory control of the item.

STANDING JOB ORDER. A work authorization issued to provide the performance of work or the furnishing of services during a specified period.

STATUS CODE. A two-position code originated by the supply source informing the requisitioner of supply action taken on requisitions.

SUB-ACTIVITY GROUP (SAG). A two-digit code that represents a finer functional breakdown within the AG.

SUBALLOTMENT. An authorization to use funds from an allotment issued by the Commandant. The authorization is granted by the commander who receives the primary allotment from CMC. The recipient of the suballotment accounts for its funds to the holder of the primary allotment; however, when CMC authorizes a suballotment to be accounted for with a specific, three-digit number to identify it, and this number is different from the one used to identify the primary allotment, the commander who receives the allotment is accountable directly to the commander holding the primary allotment from which CMC authorizes the suballotment to be made.

SUBALLOTMENT NUMBER (SA). A one-digit field used to identify a Centrally Managed Operating Budget (CMOB) administered at HQMC. CMOBs are established to account for items or functions where one office managing funding and costs is more appropriate from a control and administrative perspective than distributing funds to each command would be.

SUBALLOTMENT RECIPIENT. A Suballotment Recipient is a subordinate command that receives a portion of an allotment or OPBUD from an Allotment Recipient. Upon receipt of a suballotment, the holder assumes responsibility for the administration of the funds under the provisions of section 1517 of reference (c) (i.e., legal MCO 7300.21B 01 OCT 2014 responsibility to stay in budget) and the primary allotment holder, who issued the suballotment, is relieved of this responsibility. Examples of Suballotment Recipients are MCAS Miramar, MCB Camp Pendleton, and I MEF. Major Command Recipients are also Allotment/Suballotment Recipients when they pass funds to themselves.

SUBALLOTMENT RECIPIENT IDENTIFIER (SRI). A 6-digit, alphanumeric field that identifies the installation or activity receiving funds from the Allotment Recipient Command.

SUBHEAD. A four-digit, alphanumeric code that represents the administering office and the budget program that funds are executed under. The subhead identifies charges and credits made to the first level of an appropriation. The first two characters of the subhead designate the administering office and are derived

from the last two characters of the major claimant's UIC. The third digit of the subhead relates to the BA that is specific to the appropriation under which the subhead falls. The last digit of the subhead is always zero for the O&M,MC appropriation.

SUPPLEMENTARY ADDRESS. A six-position field indicating "ship to" or "bill to" activity other than the requisitioner.

SUPPLEMENTARY JOB ORDER. A job order issued for any portion of the work under a basic job order that is to be charged to an accounting classification other than that shown on the basic job order.

TEMPORARY DUTY (TDY). TDY is when a traveler is ordered to accomplish a mission at a location that is outside their normal place of duty (i.e., outside 50 miles). Upon completion of the mission, the traveler returns to their permanent place of duty. Government employees, military or civilian, can be directed to perform TDY throughout their careers.

TOTAL OBLIGATIONAL AUTHORITY (TOA). TOA is the total amount of funds available for programming in a given year, regardless of the year the funds are appropriated, obligated or expended. TOA includes NOA, unprogrammed or reprogrammed obligational authority from prior years, reimbursements not used for replacement on inventory in kinds advance funding for programs to be financed in the future, and unobligated balances transferred from other appropriations.

TRANSACTION. Any mutual agreement, contract, understanding or exchange or transfer of cash or property between an entity and an individual or group of individuals that affects the assets, liabilities or capital of the entity. Generally, any event that affects the accounts of an entity in any way.

TRANSACTION TYPE CODE (TTC). A two-digit code used to classify payments/receipts as to purpose or category (i.e., 2D represents a payment, 1K an advance, 3C a collection/reimbursement).

UNDISTRIBUTED DISBURSEMENTS. These are disbursements, which are not identified to a particular document.

UNDISTRIBUTED EXPENSES. These are expenses, which are not identified to a particular job order.

UNFILLED ORDER. Any document meeting the criteria of an obligation, issued for goods or services that have not yet been received.

UNFILLED REQUISITION. A requisition for material from inventory, which does not obligate the requester's funds until, dropped from inventory by the supplier.

UNFUNDED ACCOUNTS RECEIVABLE. Unfunded accounts receivable are amounts reimbursable to an appropriation and subhead resulting from unfunded transactions. (See Funded Accounts Receivable.)

UNFUNDED RESOURCES. Those resources that are acquired, used or consumed by an operating activity for the execution of its program(s) without expenditure by the activity from the appropriation financing the program(s). Unfunded resources may include: (1) personal services, such as the services of active forces military personnel applied in operating programs financed by appropriation and maintenance funds but paid for from military personnel appropriations; (2) material, such as centrally procured supplies acquired by an operating activity without reimbursement to the activity whose funds were used to procure the supplies; or (3) nonpersonal services and other resources, such as space rented by the GSA and occupied without reimbursement by a defense activity.

UNFUNDED TRANSACTIONS. Unfunded transactions are those transactions that result in accounts receivable to an appropriation and subhead that did not result from reimbursable orders. (See Funded Transactions.)

UNIT IDENTIFICATION CODE (UIC). A five-character, alphanumeric code used to identify organizational entities within the DON (e.g., 00146 is MCAS, Cherry Point, North Carolina). The UIC of each OPBUD holder is identified in the BCN block of the ACC.

UNIT OF ISSUE. A two-digit abbreviation of the standard item measurement as indicated in the applicable catalog or stock list (e.g., EA, LB, FT, etc.).

UNOBLIGATED BALANCE. The difference between the amount authorized and the amount obligated.

WORK CENTER. A Work Center is a subdivision of a Suballotment Recipient. Typically, Work Centers refer to Assistant Chiefs of Staff within a MCB or Major Commands within a MEF. These activities are held financially responsible as subordinate to

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superior. Legal responsibility is retained at the Suballotment Recipient level. An example is the MEF commander passing funds to the Division, Wing, and MLG commanders to operate their units.

WORK CENTER IDENTIFIER (WCI). A 6-digit, alphanumeric field that identifies a subdivision of a Suballotment Recipient from which funds are received.

WORK MEASUREMENT. The process of establishing performance standards (in terms of man-hours per work unit), comparing actual performance with standard, and initiating remedial action as appropriate when the two are not compatible.

WORK UNIT. Measures of output that express volume of work; conversely, man-hours and dollars are measures of input required to produce work units or perform work.

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Appendix C

SABRS Manuals

The SABRS Manuals appendix is a repository that stores SABRS manuals that are intended to provide additional detailed information and clarification to the policy within this Order.

Location: The SABRS manuals referenced in this Order are centrally located on the USMC SharePoint site for P&R, RFA Guidance & Procedures. Please note the bread crumb and SharePoint link below.

RFA Accounting Operations Portal → RFA Tools: Guidance & Procedures → Policy & Regulations: MCOs → MCO 7300.21B - APPENDIX C

<https://ehqmc.usmc.mil/org/pr/fiscalops/accounting/policy/Marine%20Corps%20Orders%20MCOs/Forms/AllItems.aspx>

Please contact Mr. Jerry Coudriet (jerome.coudriet@usmc.mil) for issues accessing the RFA Sharepoint site.

Title	Description
SABRS Abnormal and Aged Reports Manual (Deadly Sins)	In fulfilling its accounting oversight role, RFA publishes exception type reports, affectionately known as the "Deadly Sins", that reflect transactions requiring detailed investigation, research, and timely correction. Accurate and judicious financial information provides Marine Corps Financial Managers and senior leadership with a comprehensible financial picture in order to be good stewards of public funds, accurately account for funds spent, and to comprehend the impact when expending limited financial resources. Inaccurate accounting of limited financial resources ultimately leads to lost opportunities to provide critical support

Title	Description
	to the war fighter. The purpose of this manual is to provide explanation, impact, corrective action, and an overall working knowledge of the Deadly Sins reports.
SABRS Allocations Manual	An On-Line Allocation is the administrative movement of recorded costs from one specific financial accounting key to another. An allocation transaction allows a command to transfer spending (commitment, obligation, expense, liquidation, and hours for labor) from a direct charge to a reimbursable customer charge (for billing purposes) or to move direct charges within the command from one set of management fiscal codes to another for cost accounting purposes. Each allocation transaction has a "From" and "To" record. The "From" record identifies the LOA and other fiscal code elements (i.e., SDN, JON, CAC, SIC, Fund Function, etc.) from which costs will be transferred.
SABRS Authorization Processing Manual	This users' manual is for authorization processing. The Marine Corps is required to account for a wide variety of appropriations, many with unique characteristics. Fund control, financial responsibility and accountability is established by recording authorization (source) documents (direct and reimbursable) within SABRS. Authorization processing for SABRS on-line data entry is facilitated through the use of DICs in each step of the funds distribution process. Each DIC defines which GL accounts and fund control file balances are updated and recorded in the GL and fund control files. The SABRS Authorization Processing Manual provides the user with guidance on the various DICs that have been established to process authorization and funding transactions.
SABRS Auto Transactions Manual	SABRS records financial transactions originating from multiple sources, including feeder systems and manually entered

Title	Description
	<p>transactions. In addition to the feeder system interfaced and manually entered transactions, SABRS will create systemically-generated transactions, also known as auto transactions, based on the status of transactions and other specific conditions that exist within the system. These auto transactions impact all four major phases of the transaction cycle, commitment, obligation, expense, and liquidation, as shown in the figure below.</p>
<p>SABRS Civilian Payroll Manual</p>	<p>This document discusses the Civilian Pay process of the Marine Corps and, more specifically, how Civilian Pay is handled by the Marine Corps' core accounting system, SABRS. Civilian Pay is comprised of the salaries of DoD civilian employees. It is a main component of civilian compensation and is determined by grade and longevity. Civilian Pay is an annual salary divided into 26 pay-periods and is reported on the Marine Corps Financial Statements under the Obligations Incurred line item of the SBR. The Defense Civilian Payroll System (DCPS) processes Civilian Pay and interfaces with SABRS to record the associated accounting transactions, which, in turn, populates the financial statements. The costs associated with Civilian Labor are comprised of Personnel Entitlements and Employer Fringe Benefit Costs.</p>
<p>SABRS Comptroller Office User's Manual Work Center (WCI) Level</p>	<p>This manual contains the procedures and information for performing key Comptroller Office functions within SABRS.</p>
<p>SABRS Customer Handbook</p>	<p>This handbook is intended to provide users with an understanding of how SABRS operates and processes and reports financial information for the USMC. SABRS is utilized by USMC to account and report financial information on all received general fund appropriations used to support Marine Corps operations, training,</p>

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Title	Description
	and sustainment missions.
SABRS Direct Cite Process	The Direct Cite process in SABRS provides a means for Marine Corps commands to transfer funding to another Marine Corps command without having to create, authorize, and issue a reimbursable order or by having a funding transfer occur between the commands. This process is only used when the funding is between two Marine Corps activities. If funding is to be provided to another DoD activity or government agency, a reimbursable order must be created to issue funding.
SABRS Feeder System Manual	SABRS is used to record and report the financial impact of source transactions that originate from various responsible officials to obtain goods and services required to support assigned unit and command missions. The majority of source transactions that are recorded in SABRS actually originate in various external systems that are used to process the requests/orders for required goods and services. These "business feeder systems" are interfaced with SABRS and allow for an electronic transfer of information to record required financial information as it impacts the various stages of the spending transaction process.
SABRS File Manual	Transaction data is stored in files within SABRS. Data is written to the various files based off of defined criteria contained in the transaction. These files are used to collect detail transaction information, fund execution information, and GL information required to generate financial statements for the Marine Corps.

Title	Description
SABRS Financial Codes Manual	The codes contained in this manual serve the purpose of categorizing funds execution to identify who executed the funds; what type of funds were executed; and why funds were executed.
SABRS Reimbursable Order Desktop Procedures Manual	This manual is a comprehensive document designed to provide the user the information required to execute, monitor, and reconcile reimbursable orders. Chapters 2-6 describe in detail the reimbursable actions, concepts, and procedures, feeder systems, and the types of reimbursables, to include the numerous laws, regulations, and restrictions. The final chapters, 7-8, cover the "how to" actions required by the Buyer and Seller.
SABRS Spending and Corrections Manual	This manual provides the user with definitions of key terms, processing procedures, transaction illustrations, and explanations of various items relating to SABRS for recording and adjusting spending transactions. This manual also provides direction on how to record transactions that are not brought into SABRS through an interface, which should be the exception to the rule. It also provides guidance on transactions that can be used to adjust spending transactions in SABRS.
SABRS Tables Manual	SABRS is a table-driven system, and all primary functions, such as access, transaction processing, and reports inquiry, are controlled by tables. The tables are divided into three functional areas: System, Central, and Local Tables. However, in the SABRS Tables Manual, System and Central Tables are grouped together.

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Appendix D

Financial Management Document Warehouse

The Financial Management Document Warehouse is a repository that stores FM-related documents that are intended to provide additional detailed information and clarification to the policy within this Order.

RFA Accounting Operations Portal → RFA Tools: Guidance & Procedures → Policy & Regulations: MCOs → MCO 7300.21B - APPENDIX D

<https://ehqmc.usmc.mil/org/pr/fiscalops/accounting/policy/Marine%20Corps%20Orders%20MCOs/Forms/AllItems.aspx>

Please contact Mr. Jerry Coudriet (jerome.coudriet@usmc.mil) for issues accessing the RFA Sharepoint site.

Title	Description
Audit Tools Support Document	The <i>Audit Tools Support Document</i> is intended to provide the Marine Corps Field Commands with information resource tools that enables the timely retrieval of source documentation to support audit requirements and assists the commands in providing complete audit sample documentation. The <i>Audit Tools Support Document</i> provides a brief description of how to gain access to and utilize various resources from which supporting documentation can be obtained. Many of these tools can not only provide the payment source documentation but you may be able to locate obligating documents as well.
Bulk Obligation Policy and Procedures Manual	The Bulk Obligation Policy and Procedures provides updated management policies and procedures to be used by Marine Corps personnel in documenting, recording, sustaining, and reporting

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Title	Description
	bulk transactions recorded in the accounting system. The objective is to ensure that the Marine Corps activities can properly support the obligation and expense balances with auditable documentation and allow for timely adjustments of funding levels. This policy and procedures provides guidance for maintaining supporting documentation for all bulk transactions, reconciliations, and adjustments.
Collection and Execution of Specific Orders	Specific Orders are funded by upfront collections from private parties, to include MCCS, PPV housing, and from sales (e.g., lumber and timber, leases, etc.) to the public and foreign governments (e.g., Foreign Military Sales).
Document Type Codes (DTC Matrix)	DTCs are used in the construction of the SDN. Proper assignment of the DTC within the SDN by the Fund/RM (Fund Holder) is critical to the classification and processing of transactions. The matrix shows the list of approved DTCs for spending transactions and the corresponding OCCs.
Reimbursable Source Code (RSC) Matrix	RSCs are used to identify sources of Automatic (Funded) or Specific (Unfunded) reimbursements by general category, with which one activity is reimbursed for work, services, or goods furnished to another activity. It is important to assign the proper code as the RSC serves two purposes: proper recording of collections to the Treasury and appropriate postings to the GL accounts in the accounting system.
Source Document Matrix	Defines the level of detail and types of documentation necessary for maintaining a written audit trail to support all SABRS accounting transactions (e.g., commitments, obligations, expenses, etc.), including those related to DECs, adjustments and error

Title	Description
	corrections, to improve the accuracy and supportability of financial information processed through SABRS.
Transaction Type Codes (TTC)	The TTC is a two-position code used to classify the type of payment or receipt. Common TTC codes are: 2D (i.e., general payment), 1K (i.e., travel advance), and 3C (i.e., reimbursable collection).