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**APPENDIX C**  
**DFAS-DE - AIR FORCE IBOP REPORTS**

A. Overview. Headquarters (HQ) United States (U.S.) Air Force, the Department of Defense, the Office of Management and Budget (OMB), and other government agencies require data relating to the IBOP. These instructions apply to all IBOP transactions, including data on Air Force assets and liabilities abroad, foreign currency transactions, international investments, FMS, transfers of property and services abroad, and foreign grants and credits. The DFAS-Denver Center (DFAS-DE) consolidates the reports from Air Force activities and submits reports to the Department of Commerce by the 45th calendar day following the end of the quarter. Non-IBOP and U.S. transactions should be coded with a blank country code, which meets the requirements in subparagraph 130108B.1 of this chapter.

1. Special Transactions

a. Coding Collections. Code collections into deposit fund accounts (including suspense account 57X6875 and budget clearing account 57F3875) as IBOP, even though such collections may be from foreign residents. Transfers from these accounts to appropriation, other fund, or receipt accounts (including miscellaneous receipts) are coded as IBOP in the gaining appropriation or account. Unless made directly to a foreign resident (as would be the case with 57X6130 or 57X6131), disbursements from a deposit fund (including 57F3875 and 57X6875) should not be coded as IBOP. Do not treat refunds to a foreign resident as IBOP. Refer to subparagraph B.6 of this Appendix for additional instructions.

b. Offset Settlements. Offsetting settlements are sometimes made between DoD accounts instead of payments to, and collections from, a foreign government. Treat these settlements as an IBOP transaction just as if the transactions were carried out with the foreign government.

2. Country or International Organization Identification: Transactions, except those relating to international organizations designated in DoD 5105.38-M, table 600-1, generally are identified to the country of residence of the payee or remitter, rather than the location of the disbursing officer (DO). Identify transactions with international organizations not listed to the country to which payment is sent or from which collection is received. Identify deliveries to the country or international organization from which a collection is made. For transactions involving the Grant Aid program, identify deliveries to the recipient country or international organization.

3. Materials, Supplies, and Equipment. Identify payment to a U.S. corporation for materials, supplies (excluding petroleum products), and equipment acquired by the Air Force abroad to the country where it is delivered or accepted by the Air Force. As an exception, when purchases of materials, supplies, or equipment are made from U.S. corporations--where the U.S. corporation delivers the items to a post office, Air Mobility Command (AMC) (formerly Military Airlift Command (MAC)), or other U.S. government transportation agency in the United States for subsequent delivery to a station located overseas--code the transaction to the United States and not to the country in which the station is located. If place of delivery or acceptance is unknown, the general rule is to code the transaction to the United States.

4. Deliveries and Collections. Identify deliveries of materiel or services to the country or international organization to which the collection will be identified. Identify collections to the countries making payments. Identify collections from international organizations to the international organization making payment. This applies even though the check of the foreign country or the international organization is drawn on an U.S. financial institution, or a U.S. Treasury check is issued to distribute a foreign remittance initially credited to 57F3875, see subparagraph B.6 of this appendix.

B. Accounting and Reporting Requirements

1. Accounting and Finance Data. Include all for-self and for-others collection and disbursement data in IBOP reports for the report period.

2. Category and Country Codes Recorded on Face of Vouchers Affecting IBOP

a. Coding Transactions. Code all payment and collection vouchers processed at overseas locations with the right category code and country or international organization code before time of payment or collection. Enter the IBOP country code and category code immediately after the accounting classification station number. If an emergency and special program (ESP) code also is necessary, place it after the IBOP code.

b. Categories. Apply category and country codes to vouchers processed in the United States only for the transactions entering the IBOP.

3. Coded Authorizations. Make sure payment vouchers are coded properly to show category, procurement of U.S. end products, transportation or services, and country or international organization. Contracting officers shall code authorizations such as purchase orders, delivery orders, and contracts resulting in expenditures entering the IBOP during preparation. Enter these same codes later on the face of the payment vouchers. If coding is later changed, show the revised coding on face of payment vouchers, including retained copy. When the authorization covers procurements of U.S. end products, transportation, or services, enter the percentage or amount applicable to each procurement return category. Enter codes on all authorizations of these types of transactions.

a. Construction and Other Service Contracts, Including Contracts for Scientific and Technical Knowledge, to be Performed Abroad. Include the right codes for identifying return to the United States in the accounting classification in all cases where the contract, delivery order, or other procurement document is negotiated with a U.S. resident. Also, include these category codes in the accounting classification where the contract is with a foreign resident and the contract requires the procurement of U.S. end products or U.S. services.

b. Contracts for the Procurement of Materials, Supplies, and Equipment Abroad. Include the right codes for identifying returns to the United States in the accounting classification on all contracts or other procurement documents with both U.S. residents and foreign residents where the contract requires that U.S. end products will be delivered.

4. Informal Records for Coded Data. Certain category classifications required by this regulation may be maintained in informal records and included in the quarterly reports (refer to paragraph C of this Appendix).

5. Suspense Accounts 57X6875 or 57F3875

a. Remittances Received by Central Billing Offices (Area Control Units). Distribute remittances that cover invoices of more than one accountable station, first deposited in 57F3875, by issuing U.S. Treasury checks. Accountable stations receiving these U.S. Treasury checks enter the collection in the IBOP when the related receivable is liquidated; that is, when the appropriation/fund is credited with the payment by the foreign debtor. If part of the remittance credited to 57F3875 is transferred to accounts of the receiving office, the collection enters IBOP when the transfer is made from 57F3875 to the appropriation/fund to receive credit.

b. Bid Deposits. Enter a bid deposit of a successful purchaser of surplus excess, foreign excess, scrap, or salvage in the IBOP at the time transferred from DFAS 57X6875 to receipt account 972651. Do not treat returns of deposits to depositors as IBOP transactions. Clear amounts in suspense accounts as of month-end in the month after the entry into the account.

c. Class E Allotments. Post class E allotments disbursements from 57X6875 as IBOP transactions. This applies to Air Force civilian employees located overseas who have their allotment checks mailed to a foreign address. Use category code F.

d. Control. For control purposes in subparagraph B.4 of this appendix, consider amounts in suspense accounts 57X6875 or 57F3875 as not for IBOP.

6. Delivery and Collection Data. Delivery data is synonymous with fiscal collection data as posted by the accounting activity, except:

a. Transfers of Real Property. Report transfers of real property to foreign governments as deliveries by the Air Force as of the date of transfer.

b. Emergency Logistical Support. When materiel and services are provided as logistical support or under emergency conditions and billed locally by an accounting activity, amounts entering IBOP normally are those shown on the collection document.

7. Loans of Property. Air Force Materiel Command (AFMC) keeps a record of each aircraft or vessel (watercraft) loaned to a foreign country or international organization for more than one year. Price these items as carried on official Air Force property records at the time of transfer. See subparagraph D.9 of this appendix for reporting requirements.

8. Military Postal Service Agency Transactions Abroad. This information as reported by USAFPCS/XRA provides the financial data for Military Postal Service Agency (MPSA) services to individuals. These data are used in the developing amounts available for spending abroad by U.S. personnel. See subparagraphs 130110.B and 130110.C of this chapter for transactions entering

and not entering IBOP. Amounts shown in the report cover the reported quarter only and are non-cumulative. See paragraph D of this appendix for reporting requirements.

C. Supplemental Categories of Transactions. To facilitate DFAS-DE preparation of the consolidated IBOP report (in the format prescribed by the Department of Commerce), accounting activities must report IBOP transactions to DFAS-DE by category code (see below) as well as by country code. All IBOP transactions require a category code. If, by definition, a transaction involves more than one category code, prepare a separate transaction for each part of the transaction. Select IBOP category codes according to Table 13-C-1 of this Appendix. The level of accounting data for recording transactions affecting the IBOP are controlled by the Master Appropriation Reference Table (MART) files. See DFAS-DE 7077.2-M (formerly Air Force Manual (AFM) 177-370), Standard Base Level General Accounting and Finance System, section 20.61, for on-line access to the Data Selection files (Inquiry Menu Items 4 and 5). Category codes are explained in Figure 13-C-1.

D. IBOP Report, Reports Control Symbol (RCS): DD-COMP(Q)743:

1. Requirements. This data on cash transactions abroad is required by HQ, U.S. Air Force; the Department of Defense; the OMB and other government agencies. It is used to formulate U.S. policies in areas affected by the IBOP. Reports are required from all accounting activities.

2. Format. Mechanized reporting procedures are in AFM 177-370, section 91, Standard Base-Level General Accounting and Finance System (GAFS).

3. Period Covered. Calendar quarter.

4. Responsible Processing Centers. Operating Location/Accounting Reports Branch (OPLOC/ARM).

5. Due Date. Due in DFAS-DE/Air Force Accountability Section (ADAAC) by the 18th calendar day following the close of the period covered. Accounting activities inactivated between reporting periods submit a partial report as of the last day of accountability. The accounting activity taking over the records of the inactivated station reports any activity after the date of inactivation. Negative IBOP reports are required from all bases.

6. Distribution. Send the records by Defense Data Network (DDN) to DFAS-DE Data Processing Center, RUVEGAA. Do not send listing of report records transceived.

7. Supplemental Data. Supplemental data not available from detail transactions is obtained from the other Processing Centers. The OPLOC/ARM obtains this data from other Processing Centers. Process all supplemental records with report code A (payments section), except those payments reimbursable from Agency for International Development (AID) that contain report code D. Example of data not available from detail transactions is net pay. Civilian Payroll gives the OPLOCs supplemental data for civilian net pay and civilian checks returned to the United States. Military Pay gives the same type data for military pay to OPLOC/ARM.

8. Correction of Errors in Prior Reports. Do not include the correction of such errors in the current report. Include these adjustments in a separate letter report as provided below. Send the letter report to DFAS-DE/Deputy Director for Departmental Accounting (AD). The report may be sent anytime after the discovery of errors.

a. Errors in Current Fiscal Year (FY). Include all adjustments regardless of amount. If the accountable station discovers an error of omission, overstatement or understatement of amount, or improper country coding, the accountable accounting activity advises the paying station of the error. The paying station letter report fully identifies the error as to:

- (1) Prior quarter or period
- (2) “Reported as” coding
- (3) “Should have been” coding
- (4) Amount
- (5) Reason for adjustment

b. Errors in Prior FY. Include only the adjustments that change the total for any one country or international organization in amounts of \$10,000 or more. Include the same detail as in subparagraph D.8.a of this appendix.

9. Loans of Property. To be reported by AFMC. Report by country the amount of aircraft or vessels loaned or leased and amount returned from users. This report can be in letter format and negative reports are not required.

E. Audit Requirements. OPLOC/ARM audits and corrects the records before requesting the transmittal list:

1. IBOP Reconciliation. Reconcile IBOP amounts to the monthly IBOP/non-IBOP reconciliation listing for the three months being reported.

2. Country Code Validity. Verify validity of country codes and transaction category codes.

F. Other DFAS-DE references include:

1. DFAS-DE 7040.1-M, Desk-Top Instructions, page 6-53.
2. AFM 177-370, Standard Base-Level GAFS, section 91.

<b>HOW TO SELECT IBOP SUPPLEMENTAL CATEGORY CODES</b>			
<b>R U L E</b>	<b>A</b>	<b>B</b>	<b>C</b>
	If the transaction is	and is for	then the category code is
1	a payment to U.S. personnel abroad	100% of net pay, allowances, per diem, or reimbursement for travel expenses and personal claims to DoD personnel	A
2	a payment to U.S. personnel NOT stationed abroad	reimbursement for travel expenses abroad	B
3	a payment to a U.S. contractor or U.S. supplier	U.S. end products	C
4		U.S. services	D
5		U.S. transportation	E
6	a payment to a foreign contractor or supplier or direct-hire foreign national	no U.S. end products, services or transportation	F
7		U.S. end products	G
8		U.S. services	H
9		U.S. transportation	J
10	receipt of cash from U.S. personnel abroad	a Treasury check	K
11	a payment to a U.S. or foreign supplier	ground POL	L
12	a payment to the Commodity Credit Corporation (CCC)	proceeds from the sale of commodities by the barter contractor	M
13	a payment to U.S. personnel	that part of net pay included in rule 1 above, mailed to the U.S. by the accounting activity	N
14	a payment made by a foreign government to a U.S. contractor with counterpart funds	construction	Q
15	a payment made by a foreign government to a foreign contractor with counterpart funds		R

Table 13-C-1

<b>HOW TO SELECT IBOP SUPPLEMENTAL CATEGORY CODES (CONT'D)</b>			
R U L E	A	B	C
	If the transaction is	and is for	then the category code is
16	a payment made by a foreign government with counterpart funds	other than construction	S
17	collections billed locally to foreign residents (includes cash collections from U.S. and non-U.S. citizens)	materiel	T
18		services	U
19		transportation	V
20	a payment made to a U.S. contractor or U.S. supplier	no U.S. end products, service or transportation	I
21	foreign currency fluctuations (FCF)	payments valued at FCF budget rate	Z
Table 13-C-1 (Cont'd)			

**HOW TO SELECT IBOP SUPPLEMENTAL CATEGORY CODES (CONT'D)**

NOTES:

1. *Example:* A \$20,000.00 payment to a U.S. contractor or U.S. supplier.

U.S. end products	\$10,000.00
U.S. services	1,000.00
U.S. transportation	2,000.00

The proper way to code this payment is

<u>Report Code</u>	<u>IBOP Sup Cat Code</u>	
A		\$ 7,000.00
A	C	10,000.00
A	D	1,000.00
A	E	<u>2,000.00</u>
Total payment		<u>\$ 20,000.00</u>

2. All transactions entering IBOP must be coded to a foreign country and are linked to those countries identified as abroad.
3. Collections from U.S. personnel (excluding payroll deductions) are included in IBOP. For example: A collection by the commissary representing “cash sales to persons” is coded with fund code 62, sales code 99.
4. Payments for construction and services performed abroad are identified to the country in which the construction or service is performed, regardless of residence of contractor or address to which check is mailed. For example: Payment for construction of a mess hall in the Republic of Korea is forwarded to a U.S. contractor in California. Code this transaction with the country code for the Republic of Korea (KS), not the U.S..
5. Payments for Dependent Travel and DLA are considered as separate payments. For example: Dependent travel allowances from Orlando, FL to the United Kingdom. Code dependent travel payment “US” since most of the travel was performed in the United States, and code the DLA “UK”.
6. Only the net pay of military, U.S. civilian, and local wage rate (LWR) employees enters the IBOP. Voucher deductions and government contributions for LWR employees enter IBOP when the payments are made to the foreign agency.

Examples of proper net pay coding

<u>Examples of proper net pay coding</u>	<u>Fund Code</u>	<u>OAC</u>	<u>EEIC</u>	<u>Country Code</u>
Payment of net pay to LWR.....	30	30	340	GM
Payment of benefits to foreign agency.....	30	30	340	GM
Payment of net pay to U.S. civilians.....	30	30	39X	GM

Table 13-C-1 (Cont'd)

<b>CATEGORY CODES</b>	
<b>CATEGORY CODE</b>	<b>EXPLANATION</b>
A	The actual amount of net pay and allowances, per diem, and/or reimbursement for travel that is given or mailed directly to the person in the form of cash or check, including electronic funds transfers or pay checks sent by a disbursing officer to any bank or financial institution for credit to the individual account of U.S. personnel stationed abroad. This also includes allotment checks mailed to a foreign address. Include personal claims paid to DoD personnel.
B	The actual amount paid to a U.S. military member or U.S. civilian employee permanently stationed in the United States, for reimbursement or advance payment for travel overseas; for example, a military member or a civilian employee permanently assigned for duty in Washington, DC who is sent on temporary duty (TDY) to Germany.
C	The amount of a payment to a U.S. contractor or supplier representing U.S. end products where required by the terms of the contract or where voluntarily procured from the U.S. without contractual requirement. That portion of Buy U.S. Here (BUSH) contracts that cover U.S. end products also are coded C (subparagraph 130110 B.1.c.(3) of this chapter).
D	That portion of a payment to a U.S. contractor or supplier representing the amount remitted to the United States by the contractor or supplier for services performed in the United States and for profit and overhead (subparagraph 130110 B.1.c.(3) of this chapter).
E	That portion of a payment to a U.S. contractor or supplier representing the amount paid to U.S. transportation companies by the contractor or supplier for transportation provided on U.S. flag carriers (subparagraph 130110 B.1.c.(3) of this chapter).
F	A payment to a foreign contractor or supplier, no part of which is returned to the United States. Include net pay of direct- and indirect-hire foreign nationals (reported with element of expense/investment code (EEIC) cited on the voucher).
G	That portion of a payment to a foreign contractor or supplier representing the amount remitted to the U.S. by the foreign contractor or supplier for U.S. end products required under the terms of the contract. That portion of the payment covering BUSH contracts is also coded G (subparagraph 130110 B.1.c.(3) of this chapter).
H	That portion of a payment to a foreign contractor or supplier representing the amount remitted to the United States by the foreign contractor or supplier for U.S. services required under the terms of the contract.
I	The amount of a payment to U.S. contractors or suppliers where no part is returned to the United States.

Figure 13-C-1

<b>CATEGORY CODES (CONT'D)</b>	
<b>CATEGORY CODE</b>	<b>EXPLANATION</b>
J	That portion of a payment to a foreign contractor or supplier representing the amount paid to a U.S. transportation company for transportation furnished on U.S. flag carriers (subparagraph 130110 B.1.c.(3) of this chapter).
K	Used only by accounting activities in overseas areas that issue Treasury checks for U.S. personnel in exchange for cash (U.S. dollars), for forwarding to the United States. This includes checks issued in exchange for cash for personnel rotating to the United States where the check is forwarded by the accounting activity to the United States. This code does not apply to Treasury checks drawn on USSDP accounts and given to personnel rotating to the United States.
L	A payment for ground petroleum, oil, and lubricants (POL).
M	A payment to the Commodity Credit Corporation (CCC). Even though this category code is used on a payment document, it is shown on the collection portion of the report (report code H). Record payment to suppliers (report codes A and D), charged to an appropriation, in the normal manner and do not identify to any related barter transaction.
N	That part of net pay, in code A above, of U.S. civilian employees or military members mailed by the accounting activity to a U.S. address, by the accounting activity to a U.S. address for credit to an employee's or member's account in a overseas military banking facility, as a return to the United States. For example: Code as returns to the United States paychecks of U.S. civilian employees or military members mailed by the accounting activity for credit to accounts located in the United States with U.S. financial institutions or persons. An accounting activity located in the United States or overseas mails a blanket check to a bank located in the United States, which contains net pay to be credited to accounts overseas. Do not code as a return to the United States.
Q	A payment made by a foreign government to a U.S. contractor for construction with counterpart funds; for example, a payment made by the government of Spain to a U.S. contractor with counterpart funds for construction of family housing.
R	A payment made by a foreign government to a foreign contractor for construction with counterpart funds; for example, a payment made by the government of Spain to a foreign contractor for construction of family housing.
S	A payment made by a foreign government to either a U.S. or foreign contractor or vendor with counterpart funds for other than construction; for example, a payment made by the government of Spain with counterpart funds for maintenance of U.S. facilities in Spain.
Figure 13-C-1 (Cont'd)	

<b>CATEGORY CODES (CONT'D)</b>	
<b>CATEGORY CODE</b>	<b>EXPLANATION</b>
T	Valid only with reimbursement transactions, and the money received in the accounts of an accounting activity represents collections from (1) foreign residents for items billed locally, and (2) cash collected for materiel.
U	Valid only with reimbursement transactions, and the money received in the accounts of an accounting activity represents collections from (1) foreign residents for items billed locally, and (2) cash collected for services.
V	Valid only with reimbursement transactions, and the money received in the accounts of an accounting activity represents collections from (1) foreign residents for items billed locally, and (2) cash collected for transportation.
Z	Foreign currency fluctuations (valid for disbursements).
<p>Figure 13-C-1 (Cont'd)</p>	