

**VOLUME 10, CHAPTER 4: “MISCELLANEOUS ADVANCE PAYMENTS”****SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue and underlined font](#).

The previous version dated [September 2012](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
040101	Added a definition of advance miscellaneous payments for the purpose of this chapter.	Addition
040101.A, B	Identified other chapters covering advance payments and their specific focus.	Addition
040102	Added language addressing the requirements for authorized submission of payment requests and follow-up, to include supporting documentation, Tax Identification Number, electronic and digital signatures for approving and certifying officers, auditability, record retention, receipt and acceptance, and required controls for liquidation of the advance payment.	Addition
040201 (previous version)	Deleted policy related to contracts not considered miscellaneous advance payments.	Deletion
040202 (previous version)	Deleted policy related to contracts not considered miscellaneous advance payments.	Deletion
040202	Added policy for advanced payment of child care services.	Addition
040203	Added language clarifying subscriptions to periodicals must cover no more than one year from the same fiscal year appropriation.	Addition
040204.A	Added language clarifying the use of the Standard Form 182 for advance tuition payments.	Addition
040204.B	Added language clarifying the liquidation of advance payments for tuition.	Addition
040301	Added language clarifying the policy regarding advance payments for intra-governmental transactions and the requirement to use the Intra-governmental Payment and Collection (IPAC) system.	Addition

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
040302	Added policy reference authorizing one Federal agency leasing space from another Federal agency.	Addition
040303	Added clarifying language for processing of payments through IPAC for printing and binding deposit accounts, and provided websites for obtaining forms to open and maintain deposit accounts.	Addition
040304	Added policy reference to Title 40 United States Code (U.S.C.), Section (§) 581(g), which authorizes the General Services Administration to bill tenants for building rent in advance.	Addition
040305	Added policy reference for the advance payments of Post Office box rentals (Department of Defense (DoD) 4525.8-M), and the requirement to use the IPAC system as the preferred method of payment (Title 41 Code of Federal Regulation (CFR) 102-192.50).	Addition
040402	Added language clarifying the administration and oversight of advances for meetings and conference attendance. Also added clarification regarding reimbursement for meetings and conferences paid for, but not attended.	Addition
040403 (previous version)	Deleted policy related to library deposits since those services are no longer available.	Deletion
040403	Added the reference to Federal Acquisition Regulation (FAR), Subpart 32.409-3(e) for advance payments made to state and local governments.	Addition
040404	Added policy references for petition of immigrant status and guidance for remittances to United States Department of State and Foreign Service posts (22 CFR, Part 22).	Addition
040405	Added language clarifying that advance payments for memberships in professional societies must include verification of membership.	Addition
040406	Added policy references to Title 10 U.S.C. § 2386, FAR, Part 27, and Defense Federal Acquisition Regulation Supplement (DFARS), Part 227 requirements for purchase of copyrights or license to use patents.	Addition
040407	Added policy references to support an advance payment for utility connection charges to FAR, Subparts 41.1 and 41.2, DFARS, Section 242.202, and FAR Clause 52.241-9.	Addition
040408.A	Added policy references for imprest funds (Volume 5, Chapter 2, and FAR, Section 13.305).	Addition
040408.C	Added policy references for counsel fees and other expenses in foreign courts (32 CFR 845) and the authorization of payment in foreign currency.	Addition

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## CHAPTER 4

MISCELLANEOUS ADVANCE PAYMENTS

## 0401 GENERAL

## \*040101. Purpose

This chapter prescribes policy for the entitlement and payment of miscellaneous advance payments. Advances do not include payments for which performance has occurred. Miscellaneous advance payments addressed in this chapter represent a current outlay of funds to Department of Defense (DoD) employees, other Federal Government agencies, and non-Federal entities before receipt of the items or services for which the payments were advanced. Miscellaneous advance payments in this chapter include many of those identified as exclusions in the Federal Acquisition Regulation (FAR), Subpart 32.4. Refer to Chapter 10 for the entitlement and payment of advances to contractors under contract financing arrangements governed by the FAR Subpart 32.4 and the Defense Federal Acquisition Regulation Supplement (DFARS), Subpart 232.4.

\* A. Volume 4, Chapter 5 prescribes policy for the accounting and reporting of advances and prepayments for cash or other assets disbursed under a contract, grant, or cooperative agreement before goods or services are provided by the contractor or grantee.

\* B. Volume 11A, Chapter 3 and Volume 11A, Chapter 18 prescribe policy for goods or services procured from other Federal agencies where the DoD is specifically authorized by a specific appropriation or law to advance funds.

## \*040102. Authoritative Guidance

Advance payments in general are prohibited by Title 31 United States Code (U.S.C.), Section (§) 3324. Exceptions to the advance payment prohibition are located in specific appropriation acts or other laws, or granted by the President as outlined in 31 U.S.C. § 3324.

A. Use of electronic submissions is preferable when requesting payment in advance. The electronic request for payment must contain all elements of a proper invoice (Title 5 Code of Federal Regulations (CFR), Part 1315.9(b)(1)).

B. All claimants that are subject to the United States (U.S.) Internal Revenue Service (IRS) code must provide a Tax Identification Number (TIN) in accordance with Title 31 U.S.C. § 3325(d). Refer to Chapter 6 (paragraph 060204.B) for contractor, vendor or individual payee requirements to enroll in the System for Award Management (SAM), and to provide a valid TIN as part of a proper invoice prior to payment.

C. All advance payment requests must be submitted in accordance with the DoD and Component's submission policies and procedures using a vendor invoice, Standard

Form (SF) 1034, Public Voucher for Purchases and Services Other Than Personal, or an electronic equivalent.

D. Personnel may use electronic and digital signatures to approve and certify financial documents processed through automated information systems (Volume 5, Chapter 1, paragraph 010305.C).

E. All advance payments must be approved by a designated approving official and a properly appointed certifying officer prior to disbursement to ensure that the information on the vouchers agrees with all supporting documentation. A properly appointed certifying officer also certifies that the vouchers are correct and proper for payment from the appropriation(s) or other funds cited on them or on supporting vouchers, and that the proposed payments are legal, proper, and correct (Volume 5, Chapter 5).

F. To ensure auditability, and to validate entitlement systems' payment records, a copy of all supporting documentation must accompany each advance. Refer to Volume 1, Chapter 9 for financial records retention policy. Certifying officers are responsible for retention of all payment documentation (Volume 5, Chapter 5).

G. A prevalidation process must occur that matches the proposed advance payment to the obligation of funds recorded in the accounting records prior to the disbursement of the advanced payment (Volume 3, Chapter 8). Refer to 31 U.S.C. § 1501 for documentation required to record the obligation, and 31 U.S.C. § 1502 prescribing that the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law.

H. Agencies/organizations requesting and approving miscellaneous advance payments must ensure that the advance payment does not exceed the value of the items/services being procured.

I. Components must ensure controls are in place for the liquidation of advance payments and assigns responsibility for the performance of timely follow-up actions to validate and document the items/services for which the advances made were actually received and met the organization's requirements. This effort is required before the advanced payment can be liquidated. Differences encountered must be resolved timely and may include the establishment and collection of debts from members, employees, commercial or federal and state entities as appropriate.

## 0402 STATUTORY ADVANCE PAYMENTS

### 040201. General

Specific legislation authorizes statutory advance payments.

\*040202. Child Care

Amounts may be paid in advance to licensed or regulated child care providers for services to be rendered during an agreed period ([40 U.S.C. § 590\(g\)\(4\)](#) and [10 U.S.C. § 1791-1800](#)). Authorized advance payments for child care services in an approved program in areas where the DoD provided child care is not available must include a copy of a signed contract between the family and the child care provider outlining the establishment of fees to support the payment ([DoD Instruction 6060.02](#)).

\*040203. Subscriptions to Periodicals

Advance payment is authorized for subscriptions or other charges for newspapers, magazines, periodicals, microfilm libraries, and other publications for official use (31 U.S.C. § 3324 (d)(2)). The total cost of the subscription is a valid charge to the appropriation for the fiscal year (FY) current at the time the subscription is ordered. Subscriptions may extend beyond the current FY. The subscription may cover deliveries extending into the subsequent year; however, the authorization of payments may not cover more than one year's (i.e., 12 months) subscription from the same fiscal year appropriation.

\*040204. Tuition

Tuition payments may be paid in advance. The Government Employees Training Act ([5 U.S.C. § 4109](#)) provides general authority for advance tuition payments for civilian and military personnel, and [10 U.S.C. § 2396\(a\)\(3\)](#) authorizes advance tuition payments for military personnel of friendly foreign countries. Advance tuition payments are payable when an educational institution requires payment at the time of enrollment.

\* A. [Advance Payment](#). The [SF 182](#), Authorization, Agreement and Certification of Training, must identify the training facility by name and address, the amount payable to the facility for the advance of tuition, as well as the amount payable to the trainee for the purchase of books, library, and laboratory services. The SF 182 must be submitted to the entitlement office to support the advance payment and must be signed by the appropriate approving and certifying officers prior to being paid.

\* B. [Liquidation of the Advance Payment](#). As stated in paragraph 040102.I, certain controls need to be in place to liquidate the advance payment. Part of those controls involving tuition payment advances must include obtaining documentation that demonstrates and documents that the student successfully completed the training that was previously paid for. In the event the student owes the DoD, the Component must collect any outstanding amount due and prepare and forward a DoD ([DD Form 1131](#)), Cash Collection Voucher, to the designated disbursing office to complete liquidation of the advance payment.

## 040205. Advance Payment Authority for Other Type Payments

[Title 10, U.S.C. § 2396](#) authorizes advances of federal monies for compliance with foreign laws, rent in foreign countries, tuition, public utility services, pay and allowances, and supplies and services of Armed Forces of friendly countries.

## 0403 INTRA-GOVERNMENTAL ADVANCE PAYMENTS

## \*040301. General

A. Agencies may make intra-governmental payments in advance of the performance in the areas identified in this section. Unless the DoD Component is specifically authorized by law, legislative action, or Presidential authorization, funds are not to be advanced to non-DoD Federal entities or used to pay for advance billings without the receipt of goods or services. Volume 4, Chapter 5 covers the conditions and requirements related to advances and prepayments. For those few exceptions where DoD is specifically authorized by a specific appropriation or law to advance funds, the specific appropriation or law authorizing the advance must be cited on the obligating and/or interagency agreement documents and orders (Volume 11A, Chapter 18).

B. DoD Components must submit an SF 1080, Voucher for Transfers Between Appropriations and/or Funds, or its electronic equivalent, that is certified by an appointed certifying officer. The servicing agency must process the advance payments using Treasury's Intra-governmental Payment and Collection (IPAC) system (Treasury Financial Manual, Volume 1, Part 6, [Chapter 4000](#)). Refer to the Department of the Treasury [Interagency Agreement Guide](#) for more IPAC guidance. Components must establish follow-up actions and controls to liquidate the advance payment as prescribed by the Treasury Interagency Agreement Guide for receipt and acceptance for the items/services as stated in paragraph 040102.I.

## \*040302. Leased Office Space

The Federal Management Regulation Subchapter C, [Section 102-73.10](#) prescribes policy for Federal agencies to seek space in government-owned and government-leased buildings. With approval from General Services Administration (GSA), one federal agency can lease from another federal agency a portion of its leased office space (Federal Management Regulation, Subchapter C, [Section 102-73.60](#)). The parties may enter into an agreement to include a lease payment made in advance or on any other basis agreed upon for the proportionate cost of the space, utilities, and services furnished.

## \*040303. Printing and Binding and Deposit Accounts

Title [44 U.S.C. § 310](#) authorizes advance payments for printing, binding or supplies ordered from the U.S. Government Publishing Office (GPO). The servicing agency must process the advance payments using IPAC to establish deposit accounts. The [GPO](#) website provides

instructions on how to create a deposit account by submitting a [GPO Form 4045](#), Deposit Account (Printing and Binding) Form. GPO forms for order placement are listed at [GPO Forms](#).

\*040304. Advances to General Services Administration for Special Purpose Leased Space

Title [40 U.S.C. § 581\(g\)](#) authorizes GSA to bill tenants for building rent in advance. The charge is a fixed rate per square foot of space assigned based on costs of building operation and maintenance. There is no requirement to itemize separate cost factors for utilities, rent, or elevator service on the bill.

\*040305. Rental of Post Office Boxes

The DoD authorizes advance payments to the U.S. Postal Service (USPS) for post office box rental on an annual basis ([DoD 4525.8-M](#)). All fees for post office box service are for a six-month period. A fee is payable for two periods at a time, not to exceed two consecutive six-month periods. Federal Agencies whose payment period coincides with the Federal fiscal year may pay their box fees during the first quarter. The USPS will refund a portion of the rental when the box is surrendered before the end of the rental period. In complying with the requirements of [41 CFR 102-192.50](#), the following methods are available when processing advance payments for box rentals:

A. The U.S. Treasury IPAC payment process associated with the Official Mail Accounting System;

B. The USPS Centralized Account Processing System (CAPS) associated with commercial payments;

C. Another Treasury approved means of paying the USPS; or

D. Payments made to service providers other than USPS must be made by U.S. Treasury payment methods such as automated clearing house-electronic funds transfer, or another Treasury approved means of paying the vendor.

#### 0404 OTHER ADVANCE PAYMENTS

040401. General

Other advance payments not prohibited by 31 U.S.C. § 3324 are identified in the following paragraphs.

\*040402. Attendance at Meetings and Conferences

A. Components may authorize payment of registration fees prior to attendance at meetings of technical, scientific, professional, or similar organizations. Refer to

the [DoD Conference Guidance 2.0](#) for the administration and oversight of all conferences, including those conferences that the DoD hosts and those that DoD personnel attend.

B. DoD civilian employees and uniformed service members may attend and participate in conferences or meetings and recognized professional organizations to maintain and improve professional competency at the government expense, subject to the availability of funds, specific management approvals, and the employee's or member's work responsibilities. Conference attendance expenditures, which contribute to improved conduct, supervision, or management of the DoD Components' functions and activities, may be authorized as prescribed by the Joint Travel Regulations, Uniformed Service Members and DoD Civilian Employees, [Appendix R](#). Documentation supporting the approval must accompany the request for advance payment (SF 1034 or electronic equivalent). The request for advance payment must be approved by a management official prior to submission to the certifying officer.

C. If the payment is non-refundable and the individual fails to attend for reasons beyond their control, then do not collect registration fees from the individual. If an individual's failure to attend the event is due to a reason deemed inexcusable by the DoD Component concerned, then the individual must repay the amount advanced. If an individual does not make a voluntary settlement of indebtedness, the Component must take action to collect the outstanding advance from money due the employee or member. Policies and procedures for salary offset to collect debts owed to the Federal Government by military members or civilian employees are in Volume 7A, Chapter 50; Volume 7B, Chapter 28; and Volume 8, Chapter 8.

\*040403. Payments to State and Local Governments

Based on established responsibility, authorized advance payments to state and local governments for goods and services reduce the possibility of a minimum loss to the Federal Government. The [FAR, Subsection 32.409-3\(e\)](#) authorizes advance payments to the state or local government furnishing non-commercial services reasonably available only from the state.

\*040404. Petition Fees

When submitting a petition for immigrant status for a person whose services are required, the fee must accompany the petition. In this case, the fee is payable in advance to the U.S. Department of State ([22 CFR, Part 22.1 - 22.7](#)). Title [22 CFR, Part 22.3](#) prescribes remittances in the U.S. and [22 CFR, Part 22.5](#) prescribes remittances to Foreign Service posts.

\*040405. Professional Societies

When approved, membership dues or fees in professional societies or associations acquired for the benefit of the DoD Component are payable in advance. The purpose of the membership must be to acquire services required for that Component, not an individual. The head of an agency or designee must make the determination of the membership requirement. Appropriated funds expended for memberships must benefit the Component, not the individual officer or employee of DoD. The individual employee must provide verification of membership to validate the advance payment.

\*040406. Purchase of Copyrights or License to Use Patent for its Life

Components may authorize an advance payment for a license to use a patent or to purchase the copyright. The FAR, Part 27 and DFARS, Part 227 prescribe the policies, procedures, solicitation provisions, and contract clauses pertaining to patents, data, and copyrights. The subject matter of the purchase must be within the authorization of the current FY appropriation (10 U.S.C. § 2386).

\*040407. Utility Connection Charges

As prescribed by FAR, Subparts 41.1 and 41.2, FAR clause 52.241-9, and DFARS, Section 242.202, payment for a utility service account activation fee or connection charge is allowable. Connection charges, whether refundable or non-refundable, are to be paid by the Government to the utility supplier for the required connecting facilities, which are installed, owned, operated, and maintained by the utility supplier. If the connection charges are refundable, they are considered an advance payment and the Government recovers the connection charges through reimbursements by a specified monthly refund/credit on the service billings for utility charges.

\*040408. Foreign Country Related Advances and Requirements

\* A. Postage. Components may authorize the purchase of foreign postage stamps for contingency or classified operations from imprest funds (Volume 5, Chapter 2 and the FAR, Section 13.305) or by an SF 1034. When using an SF 1034, the originating office prepares the voucher, which requires the approval by the appropriate approving and certifying officers, and forwards it to the disbursing office. The disbursing office prepares a check and sends it to the originating office. The originating office purchases the stamps and provides the disbursing office with a receiving report. No receipt is necessary as the check endorsement acknowledges payment.

B. Motor Vehicle Operator Permit Fees Overseas. Some foreign countries require personnel to obtain motor vehicle driver permits to perform their official duties. The fees for the permits may require an advance payment. A tour of duty in a foreign country justifies the expenditure.

\* C. Counsel Fees and Other Expenses in Foreign Courts

1. Payment of counsel fees and other service related expenses in foreign courts may require an advance payment (32 CFR 845).

2. Requests for payment of counsel, bail, or other expenses ordinarily are the burden of the defendant or the accused, to the officer (or designee) exercising general court-martial jurisdiction. The officer (or designee) must determine if the request meets the proper criteria and take final approval or disapproval action.

3. When appropriate, contracts or letters of commission and understanding [are instruments that](#) obligate the Government for payment of counsel fees, court costs, bail, and [other](#) expenses for obtaining copies of records, printing and filing fees, interpreter fees, witness fees, and other necessary and reasonable expenses. The payment of fines or civil damages is not [an authorized expenditure \(32 CFR 845.5\)](#). Payment for bail is a requirement when [stated in an authorizing letter or message issued](#) by the responsible officer and citing [10 U.S.C. § 1037](#) as the authority. Members must sign an agreement to refund to the government the amount of the bail [prior to](#) posting of bail ([32 CFR 845.10](#)). In the event the [defendant forfeits bail, the individual will be held liable to reimburse the DoD](#) either in cash or by payroll deduction via a [DD Form 139](#), Pay Adjustment Authorization (Volume 7A, Chapter 50).

4. When the responsible officer certifies [an acceptance for legal services and related expenses necessary for the representation of the defendant \(32 CFR 845.8\)](#), an SF 1034, or electronic equivalent, must be prepared for the advance payment of authorized charges. Payment will be in local currency of the foreign government.