VOLUME 10, CHAPTER 8: "COMMERCIAL PAYMENT VOUCHERS AND SUPPORTING DOCUMENTATION"

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also 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 April 2018 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
2.2.2, 3.3.1.2, and 3.4.1 (080202.B, 080303.A.2 and 080304.A)	Revised the name of the electronic invoicing application from the Invoicing, Receipt, Acceptance, and Property Transfer module to the Wide Area Workflow module of the Procurement Integrated Enterprise Environment to incorporate the recent name change.	Revision
3.2.4 (080302.D)	Added the Standard Form 1442, Solicitation, Offer, and Award (Construction, Alteration or Repair), as a form that can be used as a contract award.	Addition
3.3.1.1 (080303.A.1)	Revised the reference regarding fast payment policy from a Chapter 7 reference to a more appropriate Chapter 10 reference.	Revision
3.3.2.4 (080303.B.4)	Clarified the use of the Bill of Lading as a receiving report, as prescribed by Federal Acquisition Regulation 47.302(c)(2).	Revision
7.6 (080706)	Removed the list of detailed data elements for emergency and contingency payments that was redundant of the information contained in Appendix 1.	Deletion
Appendix 1	Clarified that for payments on fixed-price service contracts, the item quantity and item price are required data elements.	Revision

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CHAPTER 8

COMMERCIAL PAYMENT VOUCHERS AND SUPPORTING DOCUMENTS

1.0 GENERAL (0801)

1.1 Overview (080101)

Commercial payment vouchers, and the related processing requirements addressed in this chapter, apply to payments made to contractors and vendors (used interchangeably throughout the chapter) as part of the contract and vendor payment environments covered by the Federal Acquisition Regulation (***FAR***), Defense Federal Acquisition Regulation Supplement (***DFARS***), and other authorities identified in paragraph 080103. The preparation and certification of a payment voucher by the entitlement office based on the proper supporting documentation, as well as those externally certified, advises the disbursing officer (DO) that the contractual conditions for payment have been met.

1.2 Purpose (080102)

This chapter prescribes policy for the entitlement and preparation of commercial payment vouchers and the documentation required to support the payment vouchers. It also identifies the forms most often used for contracts, receiving reports, and vouchers; the document retention requirements; and the related electronic submission and processing requirements.

1.3 Authoritative Guidance (080103)

The policies prescribed throughout this chapter pertaining to the entitlement and preparation of commercial payment vouchers, including supporting documentation, are based primarily upon the FAR Parts 13, 16, 32, 43, and 52; FAR Subparts 2.1, 4.1, 4.5, and 4.9; the DFARS Parts 204, 213, 225, 232, 243, and 252; Titles 15, 31, and 41 of the United States Code (U.S.C.); and Titles 5, 31, and 48 of the Code of Federal Regulations (CFR).

2.0 POLICIES AND REQUIREMENTS (0802)

2.1 Federal Acquisition Regulation (FAR) (080201)

Title 41, U.S.C., Section 1302 establishes the Federal Acquisition Regulatory Council. Pursuant to ***41 U.S.C. § 1303***, the Council issues and maintains a single Government-wide procurement regulation known as the FAR. The FAR is the primary regulation used by all Federal executive agencies for the acquisition of supplies and services with appropriated funds.

2.1.1. ***FAR 4.5*** provides policy for the establishment and use of electronic commerce in federal acquisition as required by ***41 U.S.C. § 2301***.

2.1.2. ***FAR 32.11*** requires contract financing and delivery payments to contractors be made by Electronic Funds Transfer (EFT). FAR 32.1103 and ***31 CFR 208.4*** prescribe limited exceptions

to the EFT requirement. Volume 5, Chapter 11 provides additional EFT policy information concerning disbursements and collections.

2.2 Defense Federal Acquisition Regulation Supplement (DFARS) (080202)

The DoD implementation and supplementation of the FAR is issued in the DFARS.

2.2.1 ***DFARS subpart 232.70*** prescribes DoD acquisition policies requiring the submission and processing of contractor payment requests and receiving reports in electronic form to comply with ***10 U.S.C. § 2227***.

* 2.2.2. Acceptable electronic submission forms prescribed in DFARS 232.7002(b)(1) include, but are not limited to:

2.2.2.1. The Wide Area Workflow (WAWF) module within the Procurement Integrated Enterprise Environment (PIEE);

2.2.2.2. DoD-approved electronic third party payment systems, or other exempted vendor payment/invoicing systems, which have been determined to be acceptable for commercial transportation services provided under a Government rate tender or contract for transportation services; and

2.2.2.3. TRICARE Encounter Data System for rendered health care services.

2.3 Prompt Payment Act (PPA) (080203)

The PPA (***31 U.S.C. Chapter 39*** and ***5 CFR Part 1315***) requires DoD Components to pay their bills on time and pay interest penalties when payments are made late. Regulations promulgated under the PPA state that federal agencies should take discounts only when payments are made by the discount date and the discount is economically justified. Refer to Chapter 7 for additional policy specific to the PPA.

2.4 Payment Prevalidation (080204)

Public Law 104-61 Sec. 8102, DoD Appropriations Act, 1996, requires certain disbursements be matched to a particular obligation before the disbursement is made (prevalidation). Refer to Chapter 1, Section 0103, for additional policy specific to prevalidation.

2.5 Requirements for Disbursing Transactions (080205)

Volume 5, Chapter 9 prescribes policy and requirements pertaining to disbursing transactions. Additionally, the Treasury Financial Manual ***(TFM), Volume 1, Part 4*** prescribes requirements for disbursing payment vouchers.

2.6 Payment Certification Requirements (080206)

Title ***31 U.S.C. § 3325*** authorizes a DO to disburse money only when provided a voucher certified by a properly appointed certifying officer.

2.6.1. Certifying officers are individuals designated in writing (appointed) who are required to perform their duties in accordance with Volume 5, Chapter 5. DoD Directive ***(DoDD) 5118.03*** delegates authority to appoint certifying officers under 31 U.S.C. § 3325(a)(1) and (b), to the Under Secretary of Defense (Comptroller). Refer to Volume 5, Chapter 5 for additional policy concerning re-delegation authority.

2.6.2. All certifying officers must be appointed using a Department of Defense ***(DD) Form 577***, Appointment/Termination Record-Authorized Signature. As prescribed by Volume 5, Chapter 5, certifying officers who certify electronic vouchers must submit an electronic DD 577. Certifying officers who certify manual vouchers, or submit manual certifications of electronic payments, must submit an original, manually-signed DD 577. By certifying a voucher, the certifying officer attests that the payment is legal, correct, and proper. As prescribed by ***31 U.S.C. § 3528*** and Volume 5, Chapter 5, certifying officers are pecuniarily liable for payments they certify that do not meet these requirements. For specific policy related to the successive certification of an externally certified voucher received by the payment office, refer to Volume 5, Chapter 5, paragraph 050504.

2.6.3. The Secretary of Defense has delegated authority to the Director, Defense Finance and Accounting Service, or designee, to make the required determinations and grant or deny relief on all requests for relief of liability. Refer to Volume 5, Chapter 6, Section 0607 for policy regarding decisions of liability.

2.7 Taxpayer Identification Number (TIN) (080207)

Title ***31 U.S.C. § 7701(c)*** requires all payees, subject to the U.S. Internal Revenue Code, doing business with the DoD to furnish their TIN (which may be a Social Security Number (SSN) for individuals). Payments are not to be authorized without a TIN or SSN on record for required payees (***FAR 4.902***).

2.8 System for Award Management (SAM) (080208)

In accordance with ***FAR 4.11***, contractors and vendors doing business with the Federal Government must register in ***SAM***, except as noted in FAR 4.1102**.** Contractors and vendors are responsible for keeping all SAM information current.

2.9 Electronic and Digital Signatures (080209)

Title ***15 U.S.C. § 7001*** authorizes DoD to use electronic and digital signatures. Volume 5, Chapter 1, paragraph 010305.C prescribes the minimum requirements for electronic and digital signatures.

2.10 Contract Payments Using the Government Purchase Card (GPC) (080210)

The ***FAR 13.301*** authorizes the use of the GPC to make payments on contracts.

2.10.1. Pursuant to ***FAR 32.1110(d)***, contracting officers must insert the clause at ***FAR 52.232-36***, Payment by Third Party, if payment under a written contract will be made by a charge to a Government account with a third party such as a Government-wide commercial purchase card. However, pursuant to ***FAR 32.1108(b)(1)***, payment by a purchase card may also be made under a contract that does not contain the clause to the extent the contractor agrees to accept that method of payment.

2.10.2. When it is contemplated that the Government-wide commercial purchase card will be used as the method of payment, and the contract or order is above the micro-purchase threshold, contracting officers are required to verify (by reviewing the SAM) whether the contractor has any delinquent debt, subject to collection under the Treasury Offset Program (TOP), prior to order placement and contract award. In accordance with FAR 32.1108(b)(2)(ii), contracting officers must not authorize the Government-wide commercial purchase card as a method of payment during any period the SAM indicates that the contractor has delinquent debt subject to collection under the TOP.

2.10.3. The Department of Defense ***Government Charge Card Guidebook*** for Establishing and Managing Purchase, Travel, and Fuel Card Programs provides additional policy and procedures pertaining to the uses and limitations of the GPC in paying contracts.

3.0 SUPPORTING DOCUMENTS REQUIRED TO PROCESS PAYMENTS (0803)

As part of entitling and certifying a payment, DoD Components must ensure that appropriate payment documentation is established and retained to support payment of invoices and interest penalties. This documentation normally includes the contract/purchase order, receipt/acceptance report, and a proper invoice. Refer to ***5 CFR 1315.9*** for additional information on required documentation. Paragraph 080303 defines the exceptions in which receiving reports are not required prior to payment.

3.1 Follow-up for Required Documents (080301)

If the entitlement and certification of contractor/vendor invoices cannot be accomplished due to the non-receipt of receiving reports, copies of contracts, contract modifications, or other required documentation, the entitlement office must follow up with the contracting or receiving office to ensure that these documents are forwarded in a timely manner. The entitlement office, contracting office, and receiving activity must address these actions timely to prevent the potential loss of economically justified discounts and to avoid the unnecessary payment of late payment interest penalties.

3.2 Contract (080302)

3.2.1. Definition. As defined by ***FAR 2.101***, a contract is a mutually-binding, legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. Contracts must contain the information prescribed by 5 CFR 1315.9(a) in order to support payment of contractor/vendor invoices. If the entitlement office discovers an error in a contractual document, they must notify the contracting office to request corrective action. The entitlement office may not change contract terms. Contract terms may only be changed through a formal modification to the contract. FAR 4.5 requires the use of electronic commerce in Federal acquisition whenever practicable or cost effective.

3.2.2. Contract Types. ***FAR 16*** describes the types of contracts that may be used in acquisitions.

3.2.3. Contract Clauses. FAR 52 and ***DFARS 252*** contain:

3.2.3.1. Instructions for using provisions and clauses in contracts, and

3.2.3.2. Contract clauses prescribed in specific FAR and DFARS provisions.

* 3.2.4. Contract Award. Forms commonly used for contract award include, but are not limited to:

3.2.4.1. ***Standard Form (SF) 26, Award/Contract***,

3.2.4.2. ***SF 33, Solicitation, Offer and Award***,

3.2.4.3. ***SF 44, U.S. Government Purchase Order - Invoice - Voucher***,

3.2.4.4. ***SF 1449, Solicitation/Contract/Order for Commercial Items***,

3.2.4.5. ***DD 1155, Order for Supplies or Services***,

3.2.4.6. ***SF 1442, Solicitation, Offer, and Award*** (Construction, Alteration or Repair), and

3.2.4.7. ***Optional Form 307, Contract Award***.

3.2.5. Contract Modifications

3.2.5.1. ***FAR 43*** and ***DFARS 243.2*** contain the policy and requirements for preparing and processing contract modifications.

3.2.5.2. ***SF 30, Amendment of Solicitation/Modification of Contract*** is a form that may be used for contract modifications.

3.2.6. Contract Distribution. ***FAR 4.201*** and ***DFARS 204.201*** prescribe distribution procedures for contracts and contract modifications that include the requirement to make distribution to the appropriate accounting and payment offices.

3.3 Receiving Report (080303)

3.3.1. Definition. As defined by FAR 2.101, a receiving report is written evidence documenting the Government's acceptance of supplies delivered or services performed.

* 3.3.1.1. Acceptance must occur as a condition of payment in all cases except contract financing payments, interim payments on cost-reimbursement contracts for the acquisition of services, and use of the fast payment procedure as defined in Chapter 10, Section 1007. These requirements for payment processing do not negate the documentation requirements established in Volume 4, Chapter 9, paragraph 090201.

* 3.3.1.2. As stated in ***DFARS 232.7002***, contractors must submit payment requests and receiving reports in electronic form. DFARS 232.7002(b)(1) identifies the acceptable electronic submission forms, which includes the WAWF module of the PIEE (or other limited authorized electronic means as indicated in DFARS 232.7002(b)(1)(i)). The WAWF module of PIEE, Enterprise Resource Planning systems, and third-party payment systems accomplish electronic receipt and acceptance of materials or services with the use of an electronic signature.

3.3.2. Forms. If approved by the contracting officer and stated in the contract, non-electronic forms that may be used as a receiving report include, but are not limited to the following:

3.3.2.1. ***DD 250, Material Inspection and Receiving Report***. The form used for documenting receipt and acceptance of goods and services is the DD 250. The ***DFARS, Appendix F, Part 3*** contains preparation instructions for the DD 250.

3.3.2.2. DD 1155. The verification of receipt by an authorized Government representative constitutes a valid receiving report.

3.3.2.3. SF 44. General procedural instructions governing the form's use are printed on the form and on the inside front cover of each book of forms. For additional policy, including conditions that must be satisfied in order to use the SF 44, see paragraph 080704.

* 3.3.2.4. Bill of Lading. In accordance with ***FAR 47.302(c)(2)***, when the Government accepts title of supplies at origin, and the contract specifies transportation terms of free on board to destination (contractor bears the expense of transportation), the contractor may be paid upon acceptance of title at origin, provided the invoice is supported by a copy of a signed commercial bill of lading or other document containing the carrier's signature, indicating the goods were received by the carrier. If the contractor fails to provide this documentation, return the invoice to the contractor as an improper invoice.

3.3.2.5. SF 1449. The SF 1449 is prescribed for use in solicitations and contracts for commercial items.

3.3.3. Follow-up for Receiving Report. If payment cannot be made due to non-receipt of a receiving report, the entitlement office must follow up with the contracting officer and/or receiving office to ensure the documentation is forwarded in a timely manner.

3.3.4. Receiving Report Not Required. In certain situations, such as contract financing and the fast payment procedure, a receiving report may not be required prior to payment.

3.3.4.1. Contract Financing Payments. As defined in ***5 CFR 1315.2(h)***, contract financing payments provide for an authorized disbursement of monies prior to acceptance of goods or services.

3.3.4.1.1. As defined by ***FAR 32.001***, contract financing payments include advance payments, progress payments based on cost, progress payments (other than under construction contracts) based on a percentage or stage of completion, performance-based payments, and interim payments on cost-type contracts (other than under cost-reimbursement contracts for the acquisition of services). ***Title 5, CFR 1315.4(d) and (e)*** provide for an exception, whereby interim payments under a cost-reimbursement service contract are treated like contract financing payments in that they are also excluded from requiring a receiving report and acceptance prior to payment authorization.

3.3.4.1.2. Contract financing payments do not include invoice payments, payments for partial deliveries, lease and rental payments, progress payments under construction contracts based on a percentage or stage of completion, or interim payments under cost-reimbursement service contracts.

3.3.4.2. Contracts Incorporating the Fast Payment Procedure. Use of the fast payment procedure allows payment prior to verification that supplies have been received and accepted, under the limited conditions listed in ***FAR 13.402*** and ***DFARS 213.402***. Refer to Chapter 10, Section 1007 for additional fast payment procedure policy.

3.3.5. Variation in Quantity. Quantity variations in contracts may be authorized for both supply contracts and construction contracts as cited in ***FAR 11.7***. Variations result when total quantities delivered for a line item deviate from contracted quantities. The contract will cite permissible variations as a percentage of contracted quantity and may be defined as an increase, a decrease, or a combination of both (e.g., plus or minus 10% variance).

3.3.5.1. When a shipment is short of the quantity ordered, the entitlement office will pay, in compliance with the PPA (5 CFR 1315), the amount of the invoice that supports the quantity received and accepted, unless specifically prohibited by the contract.

3.3.5.2. When the receiving report or invoice indicates that the shipment is final, but there are undelivered items remaining per the contract terms, the entitlement office will pay, in compliance with the PPA (5 CFR 1315) and the variation authorized in the contract, the amount of the invoice that supports the quantity received and accepted. The entitlement office must also collaborate with the contracting officer, as needed, to advise and assist in resolving the differences.

3.4 Invoice (080304)

* 3.4.1. Definition. As defined by FAR 2.101, an invoice is a contractor/vendor's bill, or written request for payment under the contract, for supplies delivered or services performed. In accordance with DFARS 232.70, contractors/vendors, with few exceptions (refer to DFARS 232.7002(a)), are required to invoice electronically using the WAWF module of the PIEE.

3.4.2. Submission Requirements

3.4.2.1. When using contracting officer approved/designated electronic techniques for submission of invoices and electronically certified vouchers, it is not necessary to transfer paper documentation to the payment office for examination if the same supporting data are readily available and accessible in electronic media or through an electronic process.

3.4.2.2. The certifying officer must further ensure that the transmitted data relied upon in entitling and certifying a payment contains the necessary PPA information required by 5 CFR 1315.9 and ***FAR 32.905(b)***. As prescribed by Chapter 1, Section 0102, processes, controls, and routine testing must be established to ensure the completeness, accuracy, authorization, and validity of the electronic data received via system interfaces/transmission.

3.4.2.3. When contractors/vendors are permitted to invoice in a non-electronic manner, they may submit invoices on any type of form, provided all required items of a proper invoice are included on the document, unless their contract prescribes a specific form of invoicing.

3.4.3. Proper Invoice. DoD payments must be based on satisfactory contract performance and the receipt of a proper invoice, unless an invoice is not required by the contract (e.g., monthly rental payments). Title 5, CFR 1315.9(b)(1) and FAR 32.905(b) identify the items that must be included on a proper invoice.

3.4.4. Improper Invoice. If an invoice is improper, or does not meet the contract requirements prescribed by FAR 32.905(b), then the designated activity must return the invoice to the contractor/vendor and provide all details regarding invoice deficiencies.

3.4.4.1. An invoice must be returned as improper if the entitlement office has not been provided a valid TIN for any designated payee subject to the U.S. Internal Revenue Code. If the TIN is not in the SAM, Corporate Electronic Funds Transfer, or within the supporting documentation (to include the invoice or contract), then the contracting officer must provide the contractor's TIN to the appropriate payment office (***FAR 4.203(e)(2)***).

3.4.4.2. An electronically-transmitted payment request is treated the same as a paper payment request and must contain identical data elements as a proper, paper payment request (FAR 32.905(b)). Electronically-transmitted payment requests that are returned to the contractor will be returned in the same manner that they were received, or in a manner practical for the entitlement system. An electronic message reporting the reason for the return must accompany the returned electronically-transmitted payment request.

3.4.5. Forms. Non-electronic forms that may be used as an invoice, if approved by the contracting officer and included in the contract, include, but are not limited to:

3.4.5.1. DD 250;

3.4.5.2. SF 44;

3.4.5.3. Delivery Ticket, refer to Chapter 7 (070203.B.2); and

3.4.5.4. SF 1449.

3.4.6. Recurrent Payments/Fixed Amounts. Payments for services of a continuing nature (e.g., rents, janitorial services), which are performed under agency-vendor contracts providing for payments of definite amounts at fixed periodic intervals, may be made without submission of invoices or bills by the vendor if allowed by the contract.

3.4.6.1. The contract must specify the payment due date. The voucher prepared by the payment office to support payments of this nature must show, at a minimum, the contract number, the period covered by the payment, the name of the vendor, the amount of the payment, and the account/appropriation to be charged. The payment voucher must be certified for payment the same as are the vouchers for all other types of payments.

3.4.6.2. To comply with ***TFM Volume 1, Part 4A, Chapter 2000, Section 2055***, internal controls must be established, and periodically tested, to ensure that recurrent payments being made are: on unexpired contracts or agreements, for correct amounts, for services actually received or leased space actually under contract, and are not duplications of previous payments made for the same goods or services.

3.4.7. Lost or Destroyed Invoices. If an original invoice has been lost or destroyed, then a duplicate must be obtained from the original submitter of the invoice to support the voucher. Mark the invoice obtained as a duplicate. A full explanation of the loss or destruction of the original invoice, and a statement that steps have been taken to prevent duplicate payments, must be placed on, or attached to, the duplicate invoice. If the information has already been input from the invoice into the entitlement system, payment can be made from the information contained in the entitlement system prior to obtaining a duplicate invoice. In those situations where a duplicate invoice cannot later be obtained from the contractor, an annotation must be made documenting that payment was made based on existing records, a hardcopy duplicate invoice could not be obtained, and the original invoice was lost or destroyed. The specific existing records relied upon must be identified and documented, and management review and approval of such payment must occur and be documented prior to the disbursement. Refer to TFM Volume 1, Part 4A, Chapter 2000, Section 2045.05.

3.4.8. Invoices Requiring Administrative Contracting Officer (ACO) Approval. The Defense Contract Audit Agency (DCAA) is the authorized representative of the ACO for approving interim contract payment vouchers for provisional payment, including interim vouchers for non-commercial and commercial Time and Material (T&M) and Labor Hour (LH) contracts,

subject to final audit. In accordance with ***DFARS 242.803***, DCAA utilizes sampling methodologies to select interim vouchers for review prior to sending them to the payment office. Interim vouchers not selected for pre-payment review will be considered to be provisionally approved and will be sent directly to the payment office. All provisionally-approved interim vouchers are subject to later audit of actual costs incurred. DCAA does not provisionally approve the contractor's final voucher on a contract. Approval of final vouchers is required to be performed by the contracting officer. Refer to ***DoDD 5105.36*** for additional information regarding DCAA's roles and responsibilities in this process. The following invoices and vouchers require ACO approval before payment:

3.4.8.1. Completion vouchers under cost-plus, fixed-fee, or other cost-reimbursement type contracts;

3.4.8.2. Vouchers and invoices for termination costs under supplemental agreements, unless the termination modification specifies the costs to be paid;

3.4.8.3. Completion vouchers under T&M and LH contracts;

3.4.8.4. Invoices for progress and performance-based payments under fixed-price type contracts;

3.4.8.5. Vouchers and invoices where the contract requires approval by the ACO before payment;

3.4.8.6. Invoices for the release of "withhold" amounts previously instituted by the ACO; and

3.4.8.7. Any payment request where a DO requires an ACO signature.

3.5 Payment Voucher (080305)

For specific policy and requirements concerning payment vouchers, refer to Volume 5, Chapter 9. TFM Volume 1, Part 4A, Chapter 2000 contains policy related to scheduling payments and required payment voucher data. Forms that may be used as a payment voucher include, but are not limited to:

3.5.1. SF 44,

3.5.2. ***SF 1034***, Public Voucher for Purchases and Services Other than Personal, and

3.5.3. DD 1155.

4.0 DOCUMENT RETENTION (0804)

4.1 Period of Retention (080401)

Original payment documentation and associated documents must be retained as Government records in a format readily accessible to the entitlement office. Refer to Volume 1, Chapter 9, Figure 9-1, for specific policy and timeframes regarding record retention. Electronic record storage requires adequate controls to ensure that the digital images accurately represent the corresponding paper documentation and prevent changes to an original digital image (***FAR 4.805(a)***). The retention of documentation, both paper and electronic records, is the responsibility of the certifying officer.

4.2 Electronic Document Access (EDA) (080402)

EDA is a mandatory DoD-centralized repository of all unclassified contracts, orders, and modifications in accordance with the DFARS, Procedures, Guidance, and Information ***(PGI) 204.201***. The system is also used as a repository for Contract Deficiency Reports, Government Bills of Lading, vouchers, and receiving reports.

5.0 FOREIGN LANGUAGE DOCUMENTS (0805)

5.1 Documents Prepared in a Foreign Language (080501)

5.1.1. Invoices and supporting documents prepared in a foreign language must be translated before payment to ensure their contents satisfy requirements of the contractual document. Refer to ***DFARS 225.1103*** for additional policy related to contracts that may involve documentation written in a foreign language.

5.1.2. The documents must be translated in enough detail (contract number, item identification, unit of measure, price, and extension) to enable someone unfamiliar with the language to determine that receipts (material or services) satisfy the contract terms.

5.1.2.1. Documents containing technical terms that cannot be translated by entitlement office personnel should be forwarded to the ordering or requiring activity for translation.

5.1.2.2. If terms are so technical that a translation cannot be made, then a descriptive translation is adequate, provided the ordering or requiring activity certifies receipt and acceptance of the items, and provides the names and contact information, along with the signature accompanying this translation certificate if not performed electronically.

5.1.2.3. If not properly translated, return the invoice to the vendor as improper. Refer to paragraph 080304.D and Chapter 7, for information on improper invoice policy.

5.2 Multiple Invoices (080502)

If several invoices contain basically the same format and wording, then a single translation is adequate provided like invoices support the same payment voucher, and:

5.2.1. The required certification shows that all data not translated on other identified documents are the same as that translated,

5.2.2. All non-common data on all invoices are identified and translated in enough detail to allow an audit by persons not familiar with the language, and

5.2.3. A separate translation is attached for each group of different invoices.

5.3 Translation Certificate (080503)

The translation can be entered over or under the corresponding foreign wording or in its entirety on any available space on the document. If space is not available, then the English translation may be copied on a separate sheet. The translator completes and signs the following translation certificate on each translated document found satisfactory for payment: "I certify that I am familiar with the ____ language, and that I have made a true and correct translation of the_____." (Printed Name, Signature, Date, and Contact Information). This certification, which pertains only to the translation, may be inscribed on a separate sheet and attached if space is not available on the foreign language document. A duly appointed (via a DD 577) certifying officer must ensure payment requirements are satisfied based upon the translation.

6.0 PROCESSING ALTERED DOCUMENTS (0806)

The following policy applies to pen and ink changes associated with contractual documents, requests for payment, receiving reports, and invoice documents.

6.1 Prohibited Pen and Ink Changes (080601)

6.1.1. Pen and ink changes are prohibited from being made on all contractual documentation. ***FAR 43.301(a)*** prescribes the use of the SF 30 to make changes to contractual documentation.

6.1.2. Entitlement office personnel are prohibited from making pen and ink changes on requests for payments, receiving reports, and invoices for the following information:

6.1.2.1. Payee Identification. Payee identification includes, but is not limited to: name, address, banking information, Commercial and Government Entity code, and TIN.

6.1.2.2. Order Numbers. Order numbers include, but are not limited to: contract, modification, call, task, and delivery order numbers.

6.1.2.3. Monetary Amounts. Monetary amounts include any dollar value on any of the documents.

6.1.2.4. Line of Accounting (LOA) Data. LOA data includes all information pertaining to the LOA on any of the documents.

6.1.2.5. Names of Officials and Officers. Officials and officers include, but are not limited to: the certifying officer, approving official, contracting officer, and all other related information as typed or printed on the documents.

6.1.2.6. Dates. Dates include any dates impacting PPA interest or discounts.

6.2 Allowable Pen and Ink Changes (080602)

6.2.1. Entitlement offices can make pen and ink changes for administrative type errors not described in paragraph 080601.B on requests for payment, receiving reports, and invoice documents.

6.2.2. Entitlement office personnel may accept pen and ink changes on supporting documentation attached to an externally-certified payment request, certified and submitted by an appointed certifying officer. When submitting a certified payment voucher with accompanying manually altered supporting documents such as requests for payments, invoices, and other documents, a properly certified SF 1034 must be provided to the entitlement office identifying the correct total amount and fund citations.

7.0 EMERGENCIES AND CONTINGENCY OPERATIONS (0807)

7.1 Definitions (080701)

7.1.1. Emergencies. The Robert T. Stafford ***Disaster Relief and Emergency Assistance Act*** defines emergencies as any occasion or instance for which, as determined by the President, federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.

7.1.2. Contingency Operations. A contingency operation, as defined by FAR 2.101(b), is a military operation that either:

7.1.2.1. Is designated by the Secretary of Defense as an operation in which members of the armed forces are, or may become, involved in military actions, as evidenced by the execution of an operations plan (operations order) by a Combatant Commander; or

7.1.2.2. Results in the call or order to, or retention of, active duty of members of the uniformed services, or any other provision of law during a war or during a national emergency declared by the President or Congress. For additional information on contingency operations, refer to Volume 12, Chapter 23.

7.2 Prompt Payment Act (PPA) Exemption (080702)

Certain payments made during contingency operations, an emergency, or the release or threatened release of hazardous substances (as defined in ***42 U.S.C. § 5170*** – ***42 U.S.C. § 5195c***) may not be subject to the requirements of ***FAR 32.9***. Refer to ***DFARS 252.232-7011*** and Chapter 7 for the policy detailing these exemptions.

7.3 Simplified Acquisition Threshold (080703)

Title ***41, U.S.C. § 1903*** provides detailed policy involving the simplified acquisition thresholds to support contingency operations and special emergency procurements. The contracting community is primarily responsible for ensuring the conditions for invoking 41 U.S.C. § 1903 are met.

7.4 Standard Form (SF) 44 (080704)

The SF 44 is designed for on-the-spot, over-the-counter purchases of supplies and non-personal services while away from the purchasing office or at isolated activities. The amount of the purchase must be at or below the micro-purchase threshold defined in ***FAR 13.2***, except for purchases made under unusual and compelling urgency or in support of contingency operations. The simplified acquisition threshold applies to the SF 44 for overseas transactions by contracting officers in support of contingency operations. Refer to ***FAR 13.306*** and ***DFARS 213.306*** for the conditions that must be satisfied in order to use the SF 44.

7.5 Government-wide Purchase Card (080705)

A contracting officer supporting a contingency operation may use the Government-wide commercial purchase card to make a purchase that exceeds the micro-purchase threshold but does not exceed the simplified acquisition threshold. Refer to ***DFARS 213.301(3)*** for information concerning the conditions that must be met.

*7.6 Certification Guidelines (080706)

In addition to a contract, receiving report, and an invoice, certifying officers involved in supporting emergencies and contingency operations must ensure specific information is contained within the entitlement package. This is to ensure that the entitlement to payment is valid for certification and payment in those situations when the payment is exempt from the PPA. Payments subject to the PPA would fall within the requirements contained in Chapter 7. For payments made in support of an emergency or contingency operation that are not subject to the PPA requirements, Appendix 1- Matrix for Payments in Support of Emergencies and Contingency Operations provides a matrix tool to assist in identifying the critical data elements necessary to perform a proper certification of a payment.

7.7 Written Justification (080707)

In circumstances where information identified in Appendix 1 is not present on all of the documents (i.e., contract, receiving report, and the invoice), the certifying officer may certify the payment if they can make a reasonable linkage among the documents. Additionally, the certifying officer may, in certain circumstances as explained in Appendix 1, certify a payment that does not contain a critical data element identified in the Appendix 1 matrix, however, they must justify in writing why they certified the payment.

7.8 Transportation Cost (080708)

If transportation costs are claimed, or shipment damage occurs or is expected to occur, then shipping terms should be considered as a critical element.

7.9 Control of Funds (080709)

All accounting offices that support emergencies or contingency operations must ensure that accounting and document retention requirements are in place within 30 days of declaration of the operation. Adherence to these requirements is critical to DoD financial stewardship and control of funds.

*APPENDIX 1 MATRIX FOR PAYMENTS IN SUPPORT OF EMERGENCIES AND CONTINGENCY OPERATIONS

This appendix provides a matrix tool to assist certifying officers in identifying the critical data elements necessary to properly certify a payment made in support of emergencies and contingency operations. The matrix does not apply to contract financing payments since contract terms stipulate the invoicing and related documentation requirements.

When authorized, the head of the contracting activity, in consultation with the cognizant comptroller supporting their contracting activity, will make the determination of whether a contract and related payment will be subject to the prompt payment requirements of FAR 32.9 and are in accordance with the criteria outlined in ***DFARS 232.901***. This determination will be reflected in a specific payment clause in the individual contract.

- Emergencies and contingency operations payments made subject to the Prompt Payment Act (PPA) requirements must adhere to the payment documentation requirements contained in ***5 CFR 1315.9***.

- Emergencies and contingency operations payments that are not subject to the PPA requirements must adhere to the documentation requirements contained in the following matrix.

The data elements contained in the matrix, in addition to other requirements that may be imposed by the contract terms, or those deemed necessary by the certifying officer, are critical requirements for ensuring proper certification. While it is desirable that all elements identified in 5 CFR 1315 for a proper invoice, receiving report, and contract are available for review by the certifier and subsequent processing of the payment, they are not required if the payment is not subject to FAR 32.9.

The matrix in this appendix identifies the types of payments (e.g., construction, goods or services) that can be exempt from the PPA and the data elements that are required for each type of payment. The matrix is not intended to be all-inclusive as it is very difficult to predict all types of payments that will be made during emergencies and contingency operations. Many payments fall under the category of miscellaneous payments, and each miscellaneous payment may have different data element requirements associated with it.

The certifying officer must use professional judgment to determine if a payment request and supporting documentation is sufficient to demonstrate that the payment is legal, correct, and proper.

- Critical data element not on all documents. A critical data element may be missing from one document, but present somewhere in the payment package. While all critical, required data elements identified in the matrix for a specific type of payment must be present on the supporting documentation, these data elements do not have to be present on all the documents. In other words, if a required data element is contained on the contract (e.g., Taxpayer Identification Number (TIN)) but not the invoice, and the certifying officer can make a reasonable linkage between the two documents, then the certifying officer may certify that payment.

- Critical data element completely omitted. When a payment package does not contain a critical data element as reflected in the matrix, the certifying officer must be confident that: (1) there is a legal obligation to pay, (2) the payee has fulfilled any prerequisites to payment, (3) the amount of the payment and identity of the payee are correct, and (4) the payment is legal under the appropriation or fund involved. For any payment package missing any required critical data element, the certifying officer must justify in writing why they certified the payment. This justification can either be on the voucher or on a separate attachment provided with the voucher.

CRITICAL ITEMS REQUIRED FOR EMERGENCIES AND CONTINGENCY OPERATION PAYMENTS CERTIFICATION MATRIX

Data Element	Contracts			Leases	Purchase Card Payments
	Services (Fixed Price)	Goods	Construction		
Contract Number	X	X	X	X	X
Contractor Name	X	X	X	X	X
Contractor Address	X	X	X	X	X
Item Description	X	X	X	X	X
Item Quantity	X	X			
Item Price	X	X			
Fiscal Year and Appropriation	X	X	X	X	X
Invoice Date or Date Invoice Received by Government Official	X	X	X		X
Invoice Amount	X	X	X		X
Date of Receipt/Acceptance	X	X		X	X
Printed Name of Government Official	X	X	X	X	X
Signature of Government Official	X	X	X	X	X
Tax Identification Number (TIN)	X	X	X	X	X

CRITICAL POLICY COMPLIANCE REQUIREMENTS:

1. A contract, receiving report, and invoice are required documents. The elements identified in the matrix must be present on at least one of the documents. Refer to paragraph 080707 for justified exceptions under emergencies and contingency operations.
2. Cash payments require the seller's signature of receipt attached to the voucher.
3. For payments for services of a recurring nature, if the contract does not require submission of an invoice for payment, then the contract must specify the payment due date.
4. An interim payment request under a cost-reimbursement contract for services constitutes a proper invoice if it correctly includes all of the information required by the contract.
5. Progress payments based on the percentage of completion must be certified by the prime contractor.
6. The TIN is required for all payees subject to the U.S. Internal Revenue Code. Payees not required to provide the TIN include: court-ordered payments, foreign companies, foreign visitors, and U.S. Government agencies. Refer to paragraph 080207 and subparagraph 080304.D.
7. Documentation for miscellaneous payments varies, based on the specific type of payment. Refer to Chapter 12 and the *Department of Defense Guidebook for Miscellaneous Payments* for additional policy.
8. A certifying officer must justify in writing when a payment is made that is missing any required critical data element. This justification can either be made on the voucher or on a separate attachment provided with the voucher.
9. If transportation costs are claimed, or shipment damage occurs or is expected to occur, shipping terms are considered a critical element.