

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 10, CHAPTER 13
“COMMERCIAL TRANSPORTATION PAYMENTS”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure with the substantive change or revision

Hyperlinks are denoted by *underlined, bold italic fonts*

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
	Chapters 13, 14, and 15 have been combined to improve the structure of Volume 10. Chapter 14, “Transportation Payments Other Than Freight and Personal Property” and Chapter 15, “Nontemporary Storage and Local Drayage of Household Goods” will both be deleted and held in reserve for future use. Chapter 13 has been renamed “Commercial Transportation Payments.”	
All	Reworded and reformatted chapter for clarity. Revised references, eliminated duplicative references, and added references. Added electronic links.	Revision
1301	Added an Overview section to the chapter.	Addition
1302	Establishes policy for transportation payments; including laws, regulations, and the statute of limitations to transportation payment claims.	Addition
1303	Defined the responsibilities for the offices in the payment process for transportation bills.	Revision
1304	Added Payment and Rates Information.	Addition
1305	Added Transportation Pay Documentation for Freight Shipments	Addition
130503	Recognizes a third party electronic payer system for the Department of Defense (DoD).	Addition
1306	Added Transportation Delivery Terms	Addition
130606	Added guidance on payment procedures for transactions between DoD and non DoD Federal agencies.	Addition
130801	Updated information related to drive-away carrier service	Revision
130802	Updated information related to meal tickets	Revision
1310	Added claims by Transportation Service Providers (TSPs).	Addition

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CHAPTER 13

COMMERCIAL TRANSPORTATION PAYMENTS★1301 OVERVIEW

130101. This chapter establishes policies and responsibilities within the Department of Defense (DoD) for participants in the financial management of various types of transportation payments.

130102. This chapter outlines the policies and responsibilities for payment of transportation documents, including bills of lading (BOL) and third-party transportation payment invoices. It includes requirements for audits, reviews, claims and General Services Administration (GSA) procedures. This chapter also applies when the Transportation Working Capital Fund (TWCF) pays the commercial transportation service provider.

★1302 POLICY

130201. The following laws and regulations comprise the current requirements for payment of transportation and transportation related services for DoD:

A. Title 10 United States Code (USC) Chapter 157, and 31 USC 3726 provide information concerning the laws surrounding the transportation of both personnel and supplies and the general conditions under which a carrier may submit claims for payment. 31 USC 3726 also establishes the role of GSA in settling claims, when claims must be filed with GSA, and conducting and funding prepayment and post-payment audits.

1. Under 31 USC 3726 there is a 3-year limitation (excluding time of war) that applies to the application of offsets on amounts due a Transportation Service Provider (TSP) for transportation overcharges and under 31 USC 3716(e)(1), there is a 10-year limitation on ordinary debt.

2. Ordinary debt is any amount a TSP owes the government other than for the repayment of an overcharge. Examples of ordinary debt include, but are not limited to, payments for transportation services ordered but not provided, duplicate payments, and any debt incurred as a result of loss or damage to property during the time of transportation.

B. DoD Directive 5158.04, United States Transportation Command (USTRANSCOM) and DoD Directive 4500.9E, Transportation and Traffic Management govern the worldwide movement of passengers, cargo and personal property for DoD.

C. Defense Transportation Regulation (DTR) 4500.9-R provides policy to DoD Components for efficient and effective use of government and commercial transportation resources.

D. [Federal Acquisition Regulation \(FAR\), Part 47 “Transportation”](#) prescribes policies for applying transportation and traffic management considerations in the acquisition of supplies; and acquiring transportation or transportation related services by contract methods.

E. [Defense Federal Acquisition Regulation Supplement \(DFARS\) Part 247](#) contains additional transportation guidance.

F. [Title 41 Code of Federal Regulations \(CFR\) 102-118, Transportation Payment and Audit](#) interprets statutes and other policies that assure transportation services are uniform and appropriate. It also defines authority for General Services Administration (GSA) to conduct prepayment and post-payment audits, and establishes agency prepayment audit requirements.

G. The following laws and regulations provide guidance for payment of Nontemporary Storage (NTS) and local drayage of Household Goods (HHG):

1. [5 USC 5726](#),
2. [41 CFR 302-8](#),
3. [Joint Federal Travel Regulation \(JFTR\), Volume 1, U5380](#), and
4. [Joint Travel Regulation \(JTR\), Volume 2, C5195](#).

130202. This policy is applicable to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, DoD Field Activities, and all other organizational entities in DoD, hereafter referred to collectively as the “DoD Components.”

A. Every transportation shipment, when initiated, must have a valid line of accounting (LOA) and its associated transportation account code (TAC). This policy provides for the “up-front” edit of the LOA prior to processing shipment requests, automation of obligation recording, invoice certification and payment.

1. Transportation services will not be provided by the Transportation Officer (TO) or the Traffic Management Officer (TMO) without first obtaining proper supporting documentation. At a minimum, this must include an authorization to use a valid and funded LOA, and its associated TAC, provided by a designated Funds Manager (FM) or financial management official.

2. The Transportation Global Edit Table (TGET) mentioned in paragraph 130302 will be used to validate the LOA and its associated TAC.

3. If funding data supporting the shipment request fails validation when processed through the TGET, then the TO/TMO will suspend further processing efforts until the shipping customer provides written (electronic or hardcopy) verification indicating the LOA, and its associated TAC, is valid when checked against the TGET.

B. Shipping customers requesting transportation services will provide the TO/TMO with the FM's written or electronic verification of a funded LOA (funding document), and its associated TAC, before entering the government into a contract with a carrier.

1. The FM verification may be annotated on the Movement Request Order (MRO), usually a *Defense Department (DD) 1348-1A (Issue Release/Receipt Document)* or *DD 1149 (Requisition and Invoice/Shipping Document)*.

2. See *Volume 3, Chapter 8* of this Regulation for additional information concerning standards for recording commitments and obligations.

C. Any transportation shipment request processed without an authorized, valid, and funded LOA and its associated TAC, resulting in an obligation on behalf of the Federal Government, could result in a violation of the Anti-deficiency Act (ADA) under *31 USC 1341*. See *Volume 14, Chapters 1 and 2* of this Regulation for additional information concerning appropriations and violations of the ADA.

130203. Internal controls need to be in place to ensure that duplicative or erroneous payments don't occur. These controls will ensure that sufficient management control mechanisms are available so that DoD funds are spent appropriately and in accordance with all applicable laws and regulations.

130204. Transportation bills and payments must undergo a prepayment audit. For additional information see paragraph 1309 of this chapter.

★1303 RESPONSIBILITIES

130301. Per DoD Directive 5158.04, the Secretary of Defense has designated the *United States Transportation Command (USTRANSCOM)* as the single manager within DoD for transportation, other than Service-unique or theater-assigned assets. USTRANSCOM operates three subordinate commands: *Surface Deployment and Distribution Command (SDDC)*, *Military Sealift Command (MSC)*, and *Air Mobility Command (AMC)*.

A. SDDC has been designated as the single manager within DoD for providing ocean terminal, commercial ocean liner service and traffic management services to deploy, sustain and redeploy U.S. forces on a global basis. The command is responsible for surface transportation and is the interface between DoD shippers and the commercial carrier industry. This includes movement of DoD member household goods and privately owned vehicles.

B. MSC has been designated as the single manager within DoD for ocean transportation. MSC provides sealift transportation to deploy, sustain, and redeploy U.S. forces around the globe. MSC provides sealift with a fleet of government-owned and chartered U.S. flagged ships. Sealift ships principally move unit equipment from the U.S. to theaters of operation all over the world. In addition to sealift ships, MSC operates a fleet of prepositioned ships strategically placed around the world and loaded with equipment and supplies to sustain Army, Navy, Marine Corps, Air Force, and Defense Logistics Agency operations. The MSC will monitor and manage all sealift service and will maintain data concerning such service.

C. AMC has been designated as the single manager within DoD for airlift service. AMC provides strategic and tactical airlift, air refueling, and aeromedical evacuation services for deploying, sustaining, and redeploying U.S. forces wherever they are needed. AMC contracts with commercial air carriers through the Civil Reserve Air Fleet (CRAF) and other programs for movement of DoD passengers and cargo. AMC must procure all long-term contract airlift service within the Continental United States (CONUS) and will procure, by contract or otherwise, all commercial contract airlift service between CONUS and overseas areas, within and between overseas areas, and will maintain data concerning such service.

130302. The Defense Finance and Accounting Service (DFAS) maintains the software/database support for the TGET of established transportation shipment LOAs and associated TACs for all Military Services and Defense Agencies.

A. TGET is a centralized repository that contains established transportation LOAs formatted in accordance with Service/Agency LOA requirements and associated TACs.

B. Each service is responsible for updating the TGET's LOAs and TACs, as appropriate.

130303. Shipping customers can be individuals (service member or civilian employee), units, or organizations within the Military Services, Defense Agencies and other government (non-DoD) agencies (federal, state or local) requesting shipment of freight or personal property. The shipping customer will:

A. Obtain and present to the TO/TMO, in written or electronic form, a valid and funded LOA and its associated TAC, from a designated FM, and

B. Provide a corrected LOA from the designated funds manager if the original LOA fails the edit table validation.

130304. Transportation Officers (TOs) and Traffic Management Officers (TMOs) are individuals who are designated to process approved shipment requests for transportation services. TOs/TMOs arrange transportation and related accessorial or special services.

A. Per the *DTR Part II, Chapter 201*, each activity, or combatant commander, or their delegated representative, will appoint a military member or civilian employee (not a contractor) as TO/TMO to execute DoD traffic management policy and procedures to obtain transportation services.

1. The appointed TO/TMO will be a fully trained member/employee of the activity or installation commander's technical staff.

2. Appointment and training will be accomplished by special order of the area, activity, or installation commander in accordance with regulations of the military departments concerned.

B. TOs/TMOs arrange to transport or store military goods and other items entitled to be transported or stored at government expense. The TO/TMO will:

1. Review shipment requests presented by the shipping customer to ensure that the approved funding and shipping documents fully support each shipment request.

2. Ensure any shipment request that is incomplete or is not fully supported by the proper funding authorization will not be accepted for shipment.

3. Enter all shipment information, to include accounting data, into the computer system for routing deliveries, hereafter known as the "shipper system". The shipper system will validate the LOA, and its associated TAC, against the TGET.

4. Suspend processing until correct accounting data is received from the shipping customer and/or FM if the accounting validation fails. Any other edits that fail is the shipper's responsibility to correct.

5. Resume processing of the shipment when written or electronic verification of a corrected LOA, and its associated TAC, is provided and the LOA/TAC subsequently passes the edit table validation process.

6. Support the reconciliation process for third-party payments and certify the validity of all shipments listed in the Periodic Billing Statement (PBS).

C. TOs/TMOs responsibilities for the storage and shipment of privately owned household goods, baggage and mobile homes are discussed in section 1307 of this chapter.

130305. Fund Managers (FMs) are individuals legally responsible for managing the appropriate use of funds or LOAs. The FM will:

A. Maintain and issue authorizations to use LOAs/TACs based on requests ensure their appropriate use, and sufficient funding.

B. Coordinate and administer changes and modifications to LOA/TAC data and ensure that data is uploaded to the TGET.

C. Provide a properly formatted LOA and associated TAC, for input into the shipper system when using electronic processing and third-party billing.

D. Coordinate with the appropriate finance and accounting office to resolve edit exceptions encountered in the obligation and accrual recording and invoice payment processes.

E. Work with the TO/TMO and/or certifying official to correct fund citation edit exceptions.

F. Provide the shipping customer documentation supporting funds availability and record the commitment/obligation as appropriate. Documentation must include both a valid, appropriate, and funded LOA and its associated TAC and the point of contact information of the FM (e.g., name, phone number and e-mail address).

G. Monitor execution of transportation costs and make adjustments as needed.

H. Coordinate with the Contracting Officer and/or TO/TMO in addressing any issues associated with transactions that have not yet been certified for payment.

130306. Certifying Officers (COs) are individuals responsible for retrieving, reviewing, and certifying the PBS for payment from the third-party payment system when serving as the designated billing office. The CO is the responsible party designated in writing by the activity commander. The COs will:

A. Perform their duties in accordance with Volume 5, Chapter 33 of this Regulation and DoD Directive 4500.9E,

B. Retrieve the PBS when made available by the third-party payment system,

C. Review, before certifying, the PBS to:

1. Ensure that the PBS reflects actual carrier payments,

2. Check that the amount billed is accurate, and ensure that it contains complete and valid LOAs for each line item based on documentation provided by the FM, and

3. Ensure that each transaction has a standard document number.

D. Coordinate any discrepancies with the FM and/or TO/TMO to resolve billing issues prior to certifying the PBS for payment,

E. Ensure that any corrections are processed through the shipper system to correct the LOA, its associated TAC, or other information provided by the FM or TO/TMO which is supported by written or electronic documentation, and

F. Certify the PBS in accordance with paragraph 130306 within 5 calendar days of the close of the billing cycle in order to allow the entitlement office to process it for payment.

1. Timely certification will allow DoD to receive rebates for early payment and avoid Prompt Payment Act (PPA) interest penalties.

2. If the CO discovers errors in the PBS, then these errors must be relayed to the third-party payer via their electronic or manual process within 6 business days.

3. A corrected bill must then be submitted to the payment center for payment.

130307. DFAS will:

A. Provide finance and accounting support to designated shipping customers, FMs, TOs/TMOs, and COs,

B. Ensure that an electronic record of transportation obligations is posted in the accounting system prior to disbursing funds,

C. Record accruals, if appropriate, and then disburse payment upon receipt of invoice or electronic data feeds,

D. Ensure that commitment, obligation, accrual, and expense transactions are reconciled and processed into the appropriate accounting systems,

E. Send electronic funds transfer (EFT) disbursement to the vendor or third-party payer with an accompanying remittance advice, and

F. Collect any overpayments, if they occur.

130308. GSA is the executive agent for the Federal Government responsible for oversight of prepayment and post-payment audits and associated collection actions. GSA will handle payment claims and disputes that cannot be resolved between the TSP and the entitlement office. See paragraphs 1309 and 1310 of this chapter for additional information concerning transportation payment and audit requirements.

130309. The Transportation Service Provider (TSP) is the commercial provider of transportation services for either freight or household goods.

A. The TSP certifies that the shipment has been delivered in good condition and submits certified invoices for payments of services rendered.

B. The certified invoice is sent to the activity designated in the shipping request.

130310. A contracting officer is a United States military officer or civilian employee who has a valid appointment as defined in *FAR 2.1*.

A. The contracting officer has the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

B. Within the context of this chapter the contracting officer:

1. Prepares solicitations and contracts for transportation and/or transportation related services; or

2. Specifies authorization of prepaid freight in contracts.

3. Ensures that the requirements of the *DTR 4500.9-R Part II* are included in appropriate contracts for all applicable shipments and enforcing these requirements with regard to shipments under their control.

4. Includes in the solicitation and contract all applicable services, provisions, clauses and instructions concerning first destination transportation charges and identifies a separate LOA for prepaid freight.

130311. DoD activities that do not have TOs/TMOs, or otherwise need assistance on transportation matters, will obtain assistance from the GSA Regional Federal Supply Service Bureau that provides support to the activity or the transportation element of the contract administration office designated in the contract.

★1304 PAYMENT AND RATES

130401. The entitlement office will pay the applicable commercial rates, fares, or charges for transportation by any common carrier of any property for the United States, or on its behalf, as approved by the TO/TMO or designee and certified by the CO.

130402. Transportation payments will be made by the paying office designated in the contract.

130403. Transportation payments are subject to PPA. Prompt Payment regulations require that agencies pay transportation bills within a certain time period and pay interest penalties when payments are late.

- A. Pay transportation charges within 30 days after the original completed BOL reaches the designated billing office.
- B. A carrier certification at the bottom of the document must be completed.
- C. If an invoice or accompanying documentation is determined to be incomplete or incorrect, the agency must provide the TSP with written notice of an apparent error, defect, or impropriety within 7 days of receipt of the bill. See [FAR 32.905](#) for additional information.
- D. See [Chapter 7](#) of this volume for additional PPA information.

130404. Transportation invoices must be certified by the carrier that the shipment has been delivered in good order and condition. Invoices will not be paid in advance of completion of services.

130405. The Government generally retains risk of loss of and damage to its property that is not the legal liability of the commercial carriers and it does not buy insurance coverage for its property in the possession of commercial carriers per [FAR 47.102](#).

★1305 [TRANSPORTATION PAYMENT DOCUMENTATION FOR FREIGHT SHIPMENTS](#)

130501. DoD may receive payment requests for transportation and related services in various forms, such as paper or electronic BOLs, or PBSs. Transportation offices will use commercial payment practices and prescribed forms to the maximum extent possible in accordance with DoD policy set forth in the DTR.

130502. The "[commercial](#)" BOL (the industry-wide form used by transportation carriers) is the preferred alternative. This document will be used for the receipt of goods, as documentary evidence of title, and as documentary evidence of delivery. The use of the commercial BOL is the initial step in satisfying GSA's initiative regarding electronic processing of transportation documents. In its electronic form (i.e., without the issuance of a hard copy government bill of lading (GBL)), the commercial BOL is referred to as a "virtual" GBL (VGBL).

130503. For CONUS freight shipments, DoD uses a third party electronic payer system, which is currently USBank's PowerTrack service. See [DTR Part II Cargo Movement, Chapter 212](#) for additional information concerning PowerTrack. Invoices submitted to DoD under DoD contracts must be in an approved electronic format, unless exempted under [10 USC 2227](#).

130504. The PPA clock starts when the invoice is made available on the third-party system. The [Department of the Treasury's website](#) contains an On-line Interest Calculator to

assist in determining the interest payment.

A. Delaying the retrieval of the PBS will not delay the start of processing under the PPA clock.

B. See Chapter 7 of this volume for additional PPA information.

★1306 TRANSPORTATION DELIVERY TERMS

130601. Delivery terms are listed in the contract indicating the point at which title and risk of loss of merchandise pass from the seller to the buyer. They define the obligations and the responsibilities of the buyer and seller during the delivery of goods.

A. Free on Board (FOB) Origin. If the shipping contract states FOB origin, the ownership of the cargo is passed on to the buyer when the goods are placed on the conveyance by which they are to be transported. Unless the contract states otherwise, the cost of shipping and risk of loss are borne by the buyer (government).

B. FOB Destination. If the shipping contract states FOB destination, the supplier owns the goods until they arrive at their destination. Unless the contract states otherwise, the cost of shipping and the risk of loss are borne by the seller (contractor). Transportation costs are included in contracts for material delivered FOB destination and should not be paid.

C. See FAR 47.304 for additional information.

130602. Contractor prepaid freight is any type of transportation amount authorized in the contract by the contracting officer which is to be prepaid at FOB origin by the contractor for reimbursement on the contractor's invoice.

A. When providing goods, the TSP can be authorized reimbursement for prepaid freight within their contracts.

B. Contractors will support prepaid freight charges with evidence of payment to the carrier. Evidence of payment is a receipted freight bill or BOL stamped or marked "To Be Prepaid" showing the charges receipted for by the carrier. If this is not present, then the BOL must bear a notation of the contractor's check number, the date paid, and proof of shipment;

1. If a receipted freight bill is not available, then the contractor can provide other support for the claim for reimbursement of freight charges. The contractor should furnish a copy of the transportation company's pickup record or a copy of the contractor's internal business document showing the contractor turned the material over to a particular shipper. The contractor then must support either of these documents with a copy of the transportation company's invoice.

2. Additionally, the contractor must provide a statement that the

charges have been paid and a correct billing for authorized prepaid freight charges.

3. For cost reimbursement contracts, the contractor must send freight bills to the contracting officer for a pre-payment audit, per FAR 47.103.

4. The government may determine that receipted freight bills or other evidence of receipt are not required for transportation charges of \$100 or less if the following conditions are met:

a. The underlying contract specifies retention by the contractor of all records for at least 3 years after final payment under the contract; and

b. The contractor agrees to furnish evidence of payment when requested by the government.

c. Per FAR 47.303-17(e), shipments and invoices will not be split to reduce transportation charges to \$100 or less per transaction as a means of avoiding the required documented support for the charges.

5. Per FAR 47.303-17(d)(2), a Government agency may pay an invoiced but unsupported transportation charge of \$250 or less per transaction if the following conditions exist:

a. The contractor cannot reasonably provide a receipted bill;

b. The agency has determined that the charges are reasonable. Determination of reasonableness may be based on the following:

1) Past experience (authenticated transportation charges for similar shipments);

2) Rate checks;

3) Copies of previous bills submitted by the contractor; or

4) Other information submitted by the contractor to substantiate the amount claimed.

6. See FAR 47.303-17 for additional information.

C. When deliveries are made at points other than the designated FOB point, an adjustment in the contract price by the contracting officer will be made that corresponds to the resulting increase or decrease in the amount of freight charges. See FAR 47.304 for additional information.

D. The payment office will not make an adjustment on the amount of the

freight charges if deliveries are made to places other than the FOB point.

E. The payment office will not make an adjustment to freight charges when a contractor contends that it paid transportation expenses, which the government was obligated to pay.

F. The payment office cannot deduct for potential excessive freight charges paid by the government. Such adjustments must be submitted to the respective DFAS legal counsel for referral to the GSA for direct settlement as claims.

130603. Reimbursement to a contractor for prepaid freight covers the cost of transporting the material being shipped from the designated FOB origin point to the designated destination(s).

A. The contractor may be authorized by the contracting officer to pay transportation on behalf of the government. The contractor pays for shipping on a commercial BOL, other commercial form, or through the postal system.

1. If a contractor is directed by a contracting officer to ship FOB origin via parcel post, then postal charges are reimbursable.

2. The contractor should list this expense as a separate item on the invoice.

3. Charges are included in accounting records as a part of the cost of material.

B. The contractor will bill the DoD Component for the cost of the transportation. This billing is shown as a line item on the contractor's invoice and is supported by a receipt.

C. Contractor prepaid freight is not authorized within overseas areas. A contractor, however, may be reimbursed for prepaid freight within the United States to a stateside port of embarkation for further shipping by government means to the overseas area.

D. Contractor prepaid freight costs are obligated as a cost of the contract.

E. Contractor prepaid freight cannot exceed weight requirements established under FAR 47.303-17(a).

1. Small package shipments are subject to the terms and conditions stated on the BOL for the government.

2. Any other non-conflicting applicable contracts or agreements between the TSP and an agency that involve buying transportation services for government traffic remain binding.

F. Premium contractor prepaid freight must be authorized by the contracting officer.

G. GSA does not audit fixed price contractor prepaid freight charges.

H. Contractors directed to prepay freight may maintain charge accounts with companies specializing in delivery of small parcels.

130604. Excessive Freight Charges are freight costs incurred by a contractor that exceed costs from the FOB point specified in the contract and they are not reimbursable costs.

A. Where the original contract was FOB origin and the TO/TMO changes the destination point, the government is held liable for all excess freight cost.

B. If the contractor changes the location from where the item is being shipped from, thereby increasing the freight costs, then the contractor is liable for increased freight costs.

C. The contracting officer determines payable excess freight charges and any approved adjustments to payments are made by the entitlement office making contract payments.

D. When a contractor prepays a shipment in error, payment of shipment charges may be made to the contractor after receipt of contract modification authorizing prepaid shipment. The payment may not exceed the cost that would have been incurred by the government. Normally, the prepaid freight receipt is attached to the voucher.

E. Any premium freight (e.g., overnight delivery, first class mail, or airfreight) to be paid by the government must be authorized by the contracting officer.

F. Shipment of perishable or medical supplies that are subject to in-transit deterioration is an example of a situation when solicitations will normally be on an FOB destination only basis because it is advantageous to the Government per FAR 47.304-1(g)(4).

130605. When government property is shipped from one point to another, the following guidelines will be applied to determine the appropriation or fund to be charged for transportation:

A. The transportation (movement) of cargo can have multiple segments (e.g., base to shipping port, then receiving port to base).

B. Each segment may have a different fund cite, depending on the type of shipment.

C. Transportation charges for material shipped from one U.S. Government installation to another are not considered part of the contract expense in buying the material.

D. Transportation charges are charged to the fiscal year and the appropriation in which they accrue as stated in the contract.

E. Transportation charges incurred for transporting exchange or commissary supplies are charged to the applicable exchange fund or to the Defense Commissary Agency (DeCA).

F. For FOB origin shipments, destination sites will furnish procurement officials with any available information to support the shipper's claim for damage(s).

G. If freight is damaged in shipping, then follow the requirements of the *DTR Part II Cargo Movement, Chapter 209* for reporting damages.

H. Depending on who was responsible for the damaged goods as well as the contract wording, transportation funds are not to be used for the replacement or for repairs of damaged goods.

130606. Non-DoD agencies that wish to use DoD transportation services must provide funds with the appropriate LOAs to the sponsoring DoD Component. Non-DoD funding is required before services can be provided. The sponsoring Component may set up a reimbursable account where the third-party billing system can continue to pay the TSP and the sponsoring Component can establish a Service/DoD LOA/TAC for DFAS to process. See *Volumes IIA* and *IIB* of this Regulation for additional guidance on reimbursables.

1307 NONTEMPORARY STORAGE AND LOCAL DRAYAGE OF HOUSEHOLD GOODS

130701. Nontemporary Storage (NTS) of household goods (HHG) is all storage other than temporary or special storage. NTS includes any shipment, move, packing/unpacking, and crating/uncrating necessary to transport the HHG to and from the designated storage facility. Any transportation cost to and from a storage facility is at Government expense. Local drayage includes hauling HHG to a designated storage facility. The TO/TMO will obtain these transportation services to meet operational needs. An authorized DoD official will determine if local drayage and storage of household goods is authorized.

A. Military members.

1. Per JFTR U5380, the total household goods weight transported plus the weight of household goods in NTS at government expense on the same PCS order should not exceed the weight allowance in JFTR U5310B. If the weight allowance of the HHG in NTS plus the weight of the HHG transported on the same order exceeds the weight allowance, the member is financially responsible for the excess cost. The Government may pay the total transportation cost and other charges applicable to any excess weight that exceeds the HHG weight allowance and collect reimbursement for the excess cost from the service member.

2. Per JFTR, Volume 1, U5380, NTS is authorized incident to occupancy of Government/Government controlled quarters or privatized housing, and vacating local private sector housing for moves directed on the basis of a Service requirement. There are no weight restrictions incident to this NTS. Necessary packing, crating, unpacking, and uncrating is authorized.

3. The housing office issues assignment and reassignment orders for movement of member's personal property placed in NTS incident to occupancy of government or government-controlled quarters.

4. Invoices for NTS storage are provided by the TO/TMO and signed by the contractor and the TO/TMO. The TO/TMO also furnishes an accounting classification summary list with the invoices. This list provides accounting classification and amount data to be used as backup to the SF 1034 payment voucher when paying storage contractors.

B. Civilian employees.

1. Per 5 USC 5726 (b), the maximum combined weight for HHG transported and/or stored for civilian employees is 18,000 pounds. The Government may pay the total transportation cost and other charges applicable to any excess weight that exceeds the HHG weight allowance and collect reimbursement for the excess cost from the civilian employee.

2. Per JTR Volume 2 C5195, civilian expenses for NTS are authorized for permanent change station (PCS) travel or new appointee travel to a designated isolated CONUS permanent duty station (PDS). A signed service agreement for 12 months is required for each individual CONUS PCS. The period of NTS may not exceed 3 years.

3. Per JTR Volume 2 C5195, civilian expenses for NTS are authorized in connection with moves to and between areas outside the Continental United States (OCONUS), areas when there is no authority to transport them, or the HHG cannot be used at the OCONUS PDS. The period of NTS may be authorized for a period NTE the tour of duty.

130702. Responsibilities of the TO/TMO:

A. The transportation office receives the verified and certified invoices with supporting documents from the ordering officer.

B. Document that service for NTS has been performed and determines entitlement pertaining to beginning and ending periods of storage and excess weight.

C. Certify services have been performed.

D. Verify with the chief, family housing management office or billeting

office, regarding storage of household goods incident to assignment of government quarters.

E. The transportation office prepares, approves, and certifies the *SF 1034 (Public Voucher for Purchases and Services Other Than Personal)* and forwards to the proper entitlement office for recording into the accounts payable system and disbursement of payment to the provider.

F. Provides the entitlement office with documents to support these entitlements for payment.

1. When moving HHG to or from storage, the TO/TMO will:

a. Provide to the entitlement office a copy of the invoice containing a certificate of performance signed by both the contractor and ordering officer, a copy of the *DD Form 1164 (Service Order for Personal Property)*, a copy of the *DD Form 1299 (Application for Shipment and/or Storage of Personal Property)*, and a copy of any special orders or other authority.

b. Provide to the ordering office a copy of the paid removal from storage voucher.

2. For quarterly billings, the TO/TMO will:

a. Provide to the entitlement office a certified consolidated invoice to support the payment voucher.

b. Spot check individual charges on the invoice back to the storage of HHG documentation to ensure the charges are valid.

130703. Responsibilities of DFAS:

A. Certify fund availability on the basis of a purchase order request and with the coordination of the FM, record obligations based on receipt of a *DD Form 1155 (Order for Supplies or Services)*.

B. Before paying the contractor's invoices, the DFAS entitlement office must obtain evidence of receipt of services. This may be accomplished by a TO/TMO statement on the invoice that the services ordered were received.

C. DFAS will obtain a copy of the obligating document and the contractor's invoice to support the payment voucher.

1308 MISCELLANEOUS TRANSPORTATION PAYMENTS

★ 130801. DoD vehicles may be moved by drive-away carrier service. Authorized en

route expenses may be incurred for which the carrier is not liable.

A. Drive-away service is the movement of a vehicle under its own power by a driver of an authorized motor carrier. This method also includes the movement of one or more vehicles, including other than self-propelled vehicles, when towed or mounted (either full or saddle mount) upon a vehicle.

B. The TO will:

1. Ensure that the vehicle maintenance has been performed and that the vehicle is in satisfactory, drivable condition.

2. Ensure that the carrier is furnished with a set of *DD Form 651 (Carrier's Report of Damage or Breakdown)*, with the note in Item 8 completed for each vehicle to be transported in drive-away service.

C. See *DTR Part II Cargo Routing and Movement, Chapter 202*, for additional information concerning drive-away service.

★ 130802. Meal checks are used by DoD recruits while in transit from the Military Entrance Processing Stations (MEPS) under the command of the United States Military Entrance Processing Command (MEPCOM) to the Service training centers. Meal checks will be issued only by a MEPS travel specialist or alternate to DoD recruits traveling under provisions of the JFTR.

A. During the transportation briefing, the MEPS travel specialist or alternate will inform the recruit on the authorized use of the meal check, the procedures for completing the meal check, their responsibility to use the check for authorized meals, the locations that will accept meal checks, and their responsibility for safeguarding their meal check.

B. The MEPS will use the MEPCOM's automated MEPCOM Integrated Resource System (MIRS) to issue computer-generated meal checks.

1. The MEPS MIRS will print the allowable amount on the meal check depending on the type of meal authorized. The rates per meal for members are in *JFTR, Chapter 1, Part D, paragraph U1500*.

2. The MEPS travel specialist or alternate will inform the recruit that he/she can not write meal checks for amounts that exceed the applicable amount authorized in the JFTR. Meals may be acquired at a lower cost. The recruit will be responsible for any costs that exceeds the authorized amount published in the JFTR, paragraph U1500.

3. Meal checks are valid at all airport restaurants owned, operated, or contracted by Host Marriott Services Corporation and most other food vendors.

4. The vendors will not give the recruits any change if the cost is less than the amount stated on the meal check.

- C. Meal checks will not be used:
1. To buy alcoholic beverages,
 2. When travel is by commercial aircraft and passage rates include meal service,
 3. When an advance allowance of per diem has been received,
 4. For travel of civilian employees,
 5. For travel of military dependents, except when a dependent is authorized per diem for the purpose of escorting a deceased military sponsor, or
 6. For payment of a gratuity.

D. A contracted private sector bank will pay the restaurants electronically within 48 hours through the normal banking process. After the bank pays the restaurants, DFAS will reimburse the bank by electronic funds transfer.

1. The contractor submits the original meal ticket(s), DD Form 652, attached to an invoice.
2. Payment will be made based on a SF 1034. Payment cannot exceed the number of meals nor the price set forth on each meal ticket. Each meal check is shown on the SF 1034.
3. Before payment is made, verify the meal check has a properly completed contractor's certification and ensure that it agrees with the certification made by the Service member who received the meal or the Service member in charge of the party.
4. Anyone who alters a meal ticket after it has been issued must initial and date the alteration.
5. Charge the appropriation and allotment cited on the meal ticket with the payment amount.
6. These payments are due 30 days after they reach the designated billing office. Interest is due on late payments, as these transactions are subject to PPA.
7. Meal checks are not subject to GSA audit.

E. When a contractor loses or inadvertently destroys a meal check and the facts establishing that the service was furnished are clear, the issuing officer prepares and issues

a certified true copy of the original from the retained duplicate copy.

F. See [DTR Part I Passenger Movement, Appendix M](#) for additional information concerning meal checks.

★1309 [AUDITS AND REVIEWS](#)

130901. [31 USC 3726](#) requires 100 percent prepayment audit of all transportation bills. Implementing instructions are in 41 CFR 102-118.

A. GSA was delegated the authority to perform these audits and has complete oversight over the prepayment audit process. However, they can further delegate that authority to the Defense Agencies.

B. Per 41 CFR 102-118.290, statistical sampling is permitted on TSP bills under \$2,500.

C. Expenses for prepayment audits will be funded by DoD's appropriations used for the transportation services.

130902. Where prepayment audit is the approved method of auditing and if an overpayment results from improper transportation rates, classifications, or from the failure to deduct the proper amount, the finance or certifying officers will not be held liable for overpayments. See [31 USC 3322](#) and [31 USC 3528](#) for additional information.

A. The authority to pay carriers their invoiced amount does not keep GSA from deciding that the finance or certifying officer is pecuniarily responsible for failing to collect an overpayment to the TSP.

B. Overpayment refers to those charges for transportation services that exceed those applicable under the contract for carriage.

130903. Under post-payment audit, a carrier's BOL and supporting documents which represent payments made by agency entitlement offices for freight and passenger transportation services will be forwarded to GSA for audit (41 CFR 102-118).

A. GSA reviews the carrier's rates for correctness during this audit and takes appropriate action if improper rates were used.

B. Expenses of post-payment audit contract administration and audit related functions are financed from overpayments collected from the TSP's bills previously paid by DoD and similar type refunds (41 CFR 102-118.445).

130904. When instructed to do so by GSA, the entitlement office will collect or offset, as appropriate, any overpayment amount due the United States from an unpaid carrier's bill.

A. The entitlement office will inform GSA if they do not have, and are not likely to have, a subsequent voucher to collect an overpayment.

B. GSA then handles it as a U.S. claim against the payee.

C. Overpayments can also arise from shipments and related reimbursements for freight that are part of contract purchases.

★1310 CLAIMS BY TRANSPORTATION SERVICE PROVIDERS (TSPs)

131001. A TSP may file a claim for the following reasons (41 CFR 102-118):

A. Amounts owed but not included in the original billing.

B. Amounts deducted or offset by the entitlement office that are disputed by the TSP.

C. Amounts previously refunded by the TSP in error.

D. Amounts unpaid on original bills disputed by the entitlements office when the billings are of a questionable nature (e.g., when bankruptcy or fraud may be involved).

131002. If a claim is sent by a TSP to an entitlement office, then they should make every effort to resolve the dispute directly with the TSP.

A. If resolution is not possible by the original entitlement office, then the claim should be forwarded to the GSA Audit Division.

B. If the TSP does not agree with the decision of the GSA Audit Division, then the TSP may appeal to the General Services Board of Contract Appeals or file a claim with the United States Court of Federal Claims.

131003. Claims forwarded to the GSA Audit Division for resolution must arrive at GSA within 3 years (excluding time of war) after the later of the following dates (31 USC 3726 and 41 CFR 102-118):

A. The date of receipt of the invoice by the entitlement office when the demand for payment is refused by the entitlement office.

B. The date of payment.

C. The date of deduction on subsequent amounts paid (if the entitlement office offsets subsequent bills submitted by the TSP).

D. Appeals of GSA Audit Division decisions to the GSA Board of Contract Appeals must be made within 6 months (excluding time of war) of the date of the decision.

131004. When the claim has been adjudicated by GSA and it is determined the TSP is owed money, GSA will issue a "Certificate of Settlement" indicating the amount to be paid.

A. Once a decision is made, interest may accrue beginning 30 days from the date of settlement.

B. Similarly, if a TSP appeals the decision of an agency to the GSA Audit Division or to the GSA Board of Contract Appeals, then interest penalties do not accrue until 30 days after a decision is rendered.

C. When a dispute arises between the agency and a TSP over an amount billed by the TSP (either in whole or part), the amount in dispute is not subject to interest penalties during the period of resolution.