

VOLUME 10, CHAPTER 12: “MISCELLANEOUS PAYMENTS”**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 [August 2021](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision

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CHAPTER 12

MISCELLANEOUS PAYMENTS

1.0 GENERAL

1.1 Overview

This chapter prescribes policy for certain miscellaneous payments. The Department of Defense ([*DoD* *Guidebook for Miscellaneous Payments*](#)) (hereafter referred to as the Guidebook) provides additional mandatory requirements prescribed for DoD miscellaneous payments not specifically addressed in this chapter, due to the varied types of miscellaneous payments. The Guidebook also provides a high-level overview of policies and processes, with the goal of consolidating and streamlining miscellaneous payment guidance across the DoD.

1.2 Purpose

A miscellaneous payment occurs as a result of a claim for payment or reimbursement of a valid, non-recurring, non-contractual expense of the DoD, that is not payroll related for a military or civilian member, and when use of the Government Purchase Card is not feasible or appropriate.

1.2.1. The [*Standard Form \(SF\) 1034*](#), Public Voucher for Purchases and Services Other Than Personal, or an electronic equivalent, is the most common authorized form used when claiming payment or reimbursement for miscellaneous expenses. Refer to the Guidebook for specific information related to other authorized forms, depending on the type of miscellaneous expense, as well as the documentation requirements to support the request for payment. Chapter 8, and Volume 5, Chapters 5 and 9 prescribe policy addressing payment vouchers.

1.2.2. To establish auditability and to validate entitlement systems and payment records, a copy of all supporting documentation must accompany each payment request. Components must ensure the documentation is of sufficient quality to allow an independent third party, such as an outside auditor, to understand and verify the basis of the entitlement, to include the authority for the reimbursement as a liability of the DoD, as well as its value, timing, and funding source. The supporting documentation must clearly identify the parties approving and certifying the payment.

1.2.3. A designated approving official is the individual appointed by the commanding officer, director or designee, with oversight responsibility to ensure all payments or requests for reimbursement transactions are necessary and for official Government purposes only. Components may also assign fiduciary responsibility to these approving officials in accordance with Volume 5, Chapter 5. Approving officials are responsible for providing information and data to certifying officers or disbursing officials in support of the payment by attesting to the accuracy of information and data provided. Approving officials will review all claims and verify the request for payment, or request for reimbursement of miscellaneous expenses, was received in accordance with Component procedures.

1.2.4. All payment requests require supporting documentation for proof of receipt, approved by a designated approving official and certified by a properly appointed certifying officer prior to the disbursement of the payment. Refer to Volume 5, Chapter 5 for policy regarding the appointment of certifying officers via the [DoD \(DD\) Form 577](#), Appointment/Termination Record – Authorized Signature, as well as the proper distribution of the form to the appropriate disbursing office. Certifying officers are responsible for making supporting documentation available for review by authorized personnel, as stated in Volume 5, Chapter 5.

1.2.5. Components must ensure all miscellaneous claims are paid from funds current and available to the accountable activity at the time the claim accrues, unless specifically authorized and noted otherwise. All requests for payment or reimbursement of miscellaneous expenses must contain a valid line of accounting with funds obligated as specified in Volume 3, Chapter 8. Processing of the request for payment through a DoD payment system may require the configuration of unique standard document numbers.

1.2.6. All payments require payees subject to the U.S. Internal Revenue Service (IRS) code to provide a Taxpayer Identification Number in accordance with [Title 26, United States Code \(U.S.C.\), section 6109](#) (also see [31 U.S.C. § 3325\(d\)](#) and [31 U.S.C. § 7701\(c\)](#)), and Federal Acquisition Regulation ([FAR](#)) [4.902](#)). In accordance with DoD Instruction ([DoDI](#)) [5400.11](#), Components must safeguard the privacy of all individuals and the confidentiality of all personally identifiable information (PII), and take action to ensure any PII contained in a system of records used to conduct official business is protected so the security and confidentiality of the information is preserved.

1.2.7. Volume 1, Chapter 9, Figure 9-1 prescribes DoD policy regarding the retention period of financial records in support of these payments. Refer to [44 U.S.C. § 2909](#) for authorization to retain records for a longer period than specified in disposal schedules.

1.2.8. Miscellaneous payments pertaining to awards and judgments that are wage-related must be submitted and paid through the civilian payroll office to ensure proper withholding of mandatory deductions. Refer to Volume 8, Chapter 4 for mandatory payroll deductions.

1.3 Authoritative Guidance

Policy contained in this chapter pertains to various types of miscellaneous payments, and is based primarily upon Titles 5, 10, 28, 31, 41, and 44 of the U.S.C.; Titles 5, 19, 28, 29, 40, and 44 of the Code of Federal Regulations (CFR); the Treasury Financial Manual (TFM), Volume 1, parts 2 and 6; the FAR parts 5, 33, and 52; and the Defense Federal Acquisition Regulation Supplement (DFARS) subparts 205 and 241. Refer to each individual miscellaneous payment subject for the specific authoritative reference.

2.0 FEES, CLAIMS, AND AWARDS

2.1 Attorney Fees Awarded under Freedom of Information Act (FOIA)

[Title 5 U.S.C. § 552](#) requires the release of agency records requested under the authority of the statute, unless a specific exemption authorizes its withholding.

2.1.1. Under the provisions of the FOIA, a federal district court judge may award attorney fees and litigation costs to a party that substantially prevails in litigation against the Government (5 U.S.C. § 552a(4)(E)). The Openness Promotes Effectiveness in Our National Government Act of 2007 stipulates that fees assessed in FOIA litigation are not payable from the Judgment Fund, which is administered by the U.S. Department of the Treasury (Treasury), Bureau of the Fiscal Service (Fiscal Service). Such fees are payable from appropriated funds of the agency or agencies from which the plaintiff has obtained relief by judgment of the court, or substantial change in agency position (see the note concerning “Limitation on Amounts Obligated or Expended from Claims and Judgment Fund” of 5 U.S.C. § 552).

2.1.2. It is DoD funding policy that the attorney fees, and other costs assessed in the FOIA litigation, are payable from operating funds of the Military Department, Defense Agency, Field Activity, or Combatant Command responsible for administering the initial FOIA determinations or contested record searches that are the subject of the litigation. The funding organization will not necessarily be the organization named as a defendant in the litigation. Components must make payments from funds current at the time of awarding attorney fees.

2.1.3. Litigation involving record or FOIA determinations of multiple organizations may require funding responsibility allocation among such organizations. Counsel that is responsible for defending the litigation is ordinarily in a position to identify the organization that should fund a portion of the attorney fee assessments, and consultation should occur accordingly.

2.2 Attorney Fees Awarded by Court

The Department of Justice (DOJ), in most cases, is the federal agency designated to represent DoD in litigation. The Judgment Fund was established to pay court judgments and DOJ-compromise settlements of actual or imminent lawsuits against the Government ([31 U.S.C. § 1304](#)). Additionally, the DOJ, with the approval of the Fiscal Service, is able to make payments of properly awarded attorney fees. Fees awarded in discrimination cases are exceptions. See [section 3.9](#) for policy on discrimination cases. Awarding of attorney fees must be by a court of competent authority, and these fees are normally payable from the Judgment Fund. If such fees are not payable from this appropriation, the DOJ provides guidance on a case-by-case basis for payment of these fees.

2.3 Attorney Fees Awarded under the Equal Access to Justice Act

2.3.1. The Equal Access to Justice Act (EAJA), as amended by the Equal Access to Justice Reform Act of 2005 ([5 U.S.C. § 504](#)), authorizes payment of attorney fees and other expenses incurred by the prevailing party (other than the United States) in civil actions and administrative

proceedings. The party prevailing against the DoD in the adversary adjudication, or a court action, may obtain an award of attorney fees and other expenses incurred in connection with the proceeding.

2.3.1.1. In adversary adjudications, the application for the amount sought must be submitted to the DoD activity involved within 30 days of final disposition in the adversary adjudication (5 U.S.C. § 504).

2.3.1.2. In court actions, the application for an award of attorney fees and other expenses must be submitted to the court within 30 days of final judgment in the action ([28 U.S.C. § 2412\(d\)\(1\)\(B\)](#)).

2.3.1.3. In both cases, the application must be supported by an itemized statement from the attorney, agent, or expert witness stating the actual time spent and the rate at which fees and other expenses were computed.

2.3.2. Attorney fees and other expenses awarded to claimants under EAJA are payable from funds available to the DoD activity at the time of the award. Attorney fees payable under EAJA are limited to \$125 per hour (5 U.S.C. § 504), unless the adjudicating officer (deciding official), or the court in civil actions, determines a higher rate may be allowed under the law. Other expenses include those for expert witnesses and any study, analysis, engineering report, test, or project necessary for the preparation of the party's case. The amount payable is the amount approved by the adjudicating officer, or by the court in civil actions, based on documentation from the adjudicating officer or the court.

2.4 Attorney Fees Awarded under Contract Disputes

Payments made by the Fiscal Service to the contractor will not include attorney fees payable in connection with an action filed by a contractor under the Contract Disputes Act of 1978 ([41 U.S.C. §§ 7101-7109](#)). Attorney fees awarded in these cases are payable from funds current at the time the award is made and available to the activity accountable for the contract obligation ([28 U.S.C. § 2412\(d\)\(4\)](#)).

2.5 Awards Made to Bid Protesters

The [FAR subpart 33.1](#) prescribes policies and procedures for filing and processing bid protests. Protests can be submitted to the contracting agency, Comptroller General, or the U.S. Court of Federal Claims. The [FAR 33.102\(b\)\(1\)](#) stipulates the head of the agency may take any action that could have been recommended by the Comptroller General had the protest been filed with the Government Accountability Office, and award certain costs to the bid protester (FAR 33.102(b)(2)), if it is determined a solicitation for a contract, proposed award, or award of a contract did not comply with the requirements of law or regulation. These costs may include costs associated with filing and pursuing the protest, consultant and expert witness fees, bid/proposal preparation, and reasonable attorney fees. The agency must use funds available for the procurement to pay the costs awarded ([FAR 33.104\(h\)\(1\)](#)). Refer to [31 U.S.C. § 3554\(c\)\(2\)](#) for cost and fee reimbursement limitations.

2.5.1. Payment of the costs must occur within 30 days of their determination and acceptance by the contracting office. A copy of the decision, along with a statement of costs incurred, approved by the contracting officer, must be used to support the certification of payment.

2.5.2. A successful bid protester must provide a certification when submitting a claim exceeding \$100,000 in accordance with [FAR 33.207](#).

2.6 Claims under the Federal Tort Claims Act and Other Non-Contractual Claims

2.6.1. The Secretary of Defense, or designee, is authorized to pay claims against the United States for monetary damages. The Federal Tort Claims Act ([28 CFR part 14](#)) permits private parties to file a claim against the United States. Claims include damages to or loss of property, or personal injury or death, caused by the negligent or wrongful act or omission of an employee of the United States acting within the scope of his office or employment, under circumstances where the United States, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred. When an award is in excess of \$25,000, or in excess of the authority delegated to the agency by the Attorney General pursuant to [28 U.S.C. § 2672](#), whichever is greater, an [SF 1145](#), Voucher for Payment Under Federal Tort Claims Act, must be accompanied by evidence that the award, compromise, or settlement has been approved by the Attorney General or his designee ([28 CFR, section 14.10](#)).

2.6.2. A list of persons designated to approve or disapprove claims cited under this regulation, or other applicable statutes, can be obtained from the local office of counsel or judge advocate office. For claims approved by the Secretary of a Military Department, or by designated approving authorities in the office of counsel or judge advocate general, the public voucher must be sent to the appropriate office for payment. Claims approved by other designees should be forwarded to the local entitlement office that supports the approving authority for payment of the public voucher.

2.6.3. Awards are payable from the DoD's appropriations. Refer to 28 CFR, section 14.10 for the required claim documentation, threshold amounts, and execution requirements of the claimant. In accordance with 28 CFR, section 14.10, when an attorney represents a claimant, the voucher for payment must designate both the claimant and his attorney as payees, and the check will be delivered to the attorney, whose address must appear on the voucher.

2.7 Claims under the Foreign Claims Act

2.7.1. The Foreign Claims Act ([10 U.S.C. § 2734](#)) authorizes the Secretaries of the Military Departments, or their designee, to appoint claims commissions to approve or disapprove claims cited under the Act. The composition of a claims commission may include one or more officers, employees, or combination of officers or employees of the armed forces. The commission may settle and pay an amount not more than \$100,000 for a claim against the United States. Title 10, U.S.C. § 2734 covers claims for damage to or loss of real property, damage to or loss of personal property, and personal injury to or death of any inhabitant of a foreign country.

2.7.2. These commissions may also approve or disapprove claims under international agreements in accordance with 10 U.S.C. § 2734b. Commanders, directors, or other designated officials of the DoD should contact the local office of counsel or their Judge Advocate General office for the regulations governing the preparation, submission, adjudication, and payment of these claims. Claims approved must be forwarded to the Component's nearest designated payment office or the nearest Defense Finance and Accounting Service (DFAS) payment office. Use the DoD Activity Address Code (DoDAAC) Customer Service tab on the DFAS.mil website to access the DFAS payment office and DoDAAC customer service information.

2.7.3. Military Service personnel should consult with their respective Judge Advocate General office to identify the requirements for the investigation and adjudication of foreign claims to ensure approved local procedures are followed for processing these claims.

2.8 Counsel Fees and Other Expenses in Foreign Courts

2.8.1. Payment of counsel fees and other service-related expenses in foreign courts may require an advance payment ([32 CFR 845](#)).

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

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

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

2.9 Payment to Contractor When Contracting Officer Approves Claim under the Contract Disputes Act of 1978

2.9.1. If funds for the claim are available, and the contractor does not appeal the contracting officer's decision, settlement of the claim is to be made by the responsible entitlement office from funds cited on the contract ([41 U.S.C. § 7108](#) and 31 U.S.C. § 1304).

2.9.1.1. After final agreement with the contractor, the contracting officer must modify the contract, accomplished with an [SF 30](#), Amendment of Solicitation/Modification of Contract, to obligate the funds and document support for the payment. The execution of the contract modification must take place prior to entitlement of the contractor's invoice.

2.9.1.2. Upon receipt of the contractor's invoice and the SF 30, payment can be made, including interest from the date the claim was received by the contracting officer to the date of payment. Claims involving disputes, and any interest due, are payable upon resolution in accordance with [FAR 33.208](#) and the [FAR Disputes clause 52.233-1](#).

2.9.2. If funds to pay the claim are not available, the contracting officer may refer the claim to the [Armed Services Board of Contract Appeals \(ASBCA\)](#) and request the ASBCA approve a settlement of the claim from the Judgment Fund. Reimbursement to the Judgment Fund will subsequently be required upon receipt of a bill from the Fiscal Service. This reimbursement may come from current and available funds or by obtaining additional funds (41 U.S.C. § 7108) as stated in [section 2.11](#). The policy for payment of amounts under the Contract Disputes Act by the ASBCA or the Court of Federal Claims is in [section 2.10](#).

2.10 Payment to Contractors Based on Decisions of ASBCA or Court of Federal Claims

2.10.1. Court action may result as identified in [28 U.S.C. § 2412](#) and [28 U.S.C. § 2414](#) when the DoD terminates a contract. While settlement of the contractor's termination claim falls within [section 2.9](#), a separate payment may be due the contractor when a final judgment occurs from a separate court action against the DoD. When settlements have been rendered, the transcript of the court judgment against the DoD must be forwarded by the DoD organization directly to the Fiscal Service. The DoD organization must use the methods prescribed by [TFM Volume 1, part 6, chapter 3100, section 3130](#) (except for claims settled under the Contract Disputes Act of 1978, as noted in [paragraph 2.9.2](#)).

2.10.2. The Fiscal Service administers and certifies payments from the Judgment Fund for the settlement and final judgment by the U.S. District Courts and on final judgments by the Court of Federal Claims ([TFM, Volume 1, part 6, chapter 3100, 28 U.S.C. § 2517](#), and 31 U.S.C. § 1304). Reimbursement of the Judgment Fund is payable from funds current at the time the award is made and available to the activity accountable for the contract obligation ([see 31 U.S.C. § 1553 \(b\)\(2\)](#)).

2.10.3. Title 41, U.S.C. § 7108 covers payment of claims filed under the Contract Disputes Act of 1978 (41 U.S.C. § 7101-7109, FAR subpart 33.2, and FAR clause 52.233-1). Judgments against the United States by the Court of Federal Claims, and monetary awards to a contractor from the ASBCA, are authorized to be paid and charged to the Judgment Fund when certain conditions are met, as established by 31 U.S.C. § 1304. Amounts owed may include interest from the date the claim was received by the contracting officer to the date of payment. Reimbursement of the Judgment Fund is payable from funds current at the time the award is made and available to the activity accountable for the contract obligation.

2.10.4. Payment of attorney fees claimed by the contractor may not be included in amounts paid from the Judgment Fund. Attorney fees awarded in these cases will be payable out of funds current at the time the award is made and available to the activity accountable for the contract obligation (28 U.S.C. § 2412(d)(4)).

2.11 Payments to Reimburse the Fiscal Service for Payments in Settlement of Contractor Claims

Upon certification by the Fiscal Service (TFM, Volume 1, part 6, chapter 3100), the amounts of contractor claims settled under the Contract Disputes Act of 1978 may be paid to the contractor by the Fiscal Service from the Judgment Fund. Amounts paid to contractors are reimbursable to the Fiscal Service from the appropriation available for the purpose of the contract or by obtaining additional funds for such purpose. If funds are not available in the proper account to cover invoices received from the Fiscal Service, the Component must request additional funds through appropriate channels. Amounts reimbursed to the Fiscal Service are not charged to the original fiscal year appropriation that funded the contract, unless the original appropriation was still current at the time of the judgment (Volume 3, Chapter 8).

2.12 Interest Awarded Contractor by the Armed Services Board of Contract Appeals

2.12.1. Interest rates are established and reported by the Secretary of the Treasury ([31 U.S.C. § 3902](#)) in January and July of each year on the [Treasury](#) website.

2.12.2. In accordance with FAR 33.208, the Government will pay interest on the amount due from the date the contracting officer receives the claim, or the date the payment is due, if that date is later.

2.12.3. If claims involve antecedent liability, interest payments are chargeable to the appropriation(s) current at the time the basic contract was executed (Volume 3, Chapter 8), or by obtaining additional appropriations for purposes of reimbursement (41 U.S.C. § 7108).

2.12.4. Claims covered by this section exclude interest penalty claims related to the Prompt Payment Act (PPA) cited in [5 CFR, part 1315](#). Pursuant to 31 U.S.C. § 3902, PPA interest must be paid from the funds available for the administration of the program for which interest was incurred, or from funds financing the operation of the Military Department or the defense agency with which the invoice or contract payment is associated. All interest payments will be charged to the fiscal year(s) in which they accrue. In a case of cancelled appropriations, the current fiscal year will be charged any interest payment (31 U.S.C. § 1553 (b)(1)).

2.13 Return of Absentees

The [DoDI 1325.02](#) provides policy to authorize payment of claims for rewards or expenses (but not both) associated with apprehending, detaining, or delivering absentees, deserters, or escaped military prisoners to military control.

2.13.1. Rewards. Receipt of any authorized communication, oral or written, from a military or federal law enforcement officer or agency requesting active cooperation in the apprehension or delivery to military control of an absentee or deserter wanted by the Military Services, will constitute the basis for a reward. Payment of a reward will not exceed the amount cited in [10 U.S.C. § 956](#) for apprehending absentees, deserters, or parole and mandatory supervised release violators.

2.13.2. Expense Reimbursements. The DoDI 1325.02 authorizes reimbursements for reasonable and actual expenses incurred in the apprehension, detention, or delivery to military control of an absentee, deserter, or parole and mandatory supervised release violators. The cost of detention expenses, furnished to military personnel placed in their custody for safekeeping at the request of military authorities, may be reimbursable to civil authorities. These expenses may be reflected in a per day or daily room and board charge the detention facility normally charges other legal jurisdictions for similar prisoner custody services.

2.13.3. Charging of Expenses. Authorized payments and cost of travel of the guards assigned to absentees or deserters are charged to the parent Military Service's military personnel appropriation (DoDI 1325.02).

2.13.4. Condition for Payment. Before a reward is payable, there must be a notification issued for the return to military control of the absentee, deserter, or escaped military prisoner. Receipt of [DD Form 553](#), Deserter/Absentee Wanted by the Armed Forces, oral or written communication from military or federal law enforcement officials, or entering the individual's name in the [National Crime Information Center](#), constitutes notification.

2.13.5. Voucher Preparation and Support. After the apprehended member's release from civilian detention to military control, an SF 1034, or an electronic equivalent, must be prepared and certified by the personnel officer or other certifying officer designated by the commanding officer of the activity. In addition to the other routinely required data items on an SF 1034, the following information must also be shown on the voucher or attached:

2.13.5.1. The member's name, Social Security Number, organization from which the member is absent, and the date and place military authorities resumed control;

2.13.5.2. A statement stipulating the payee apprehended and detained, or apprehended and delivered the member;

2.13.5.3. The military appropriation of the parent military service of the person apprehended;

2.13.5.4. A copy of a DD Form 553, a certificate from the organization of the absentee, or written notification from military or federal law enforcement officials stating the absentee's return to military control was desirable; and

2.13.5.5. An itemized statement of allowable expenses if reimbursement of actual expenses is being claimed.

2.13.6. Payment. Upon receipt of the SF 1034 or electronic equivalent, the entitlement office will review the voucher for its propriety and, if proper, approve the voucher for disbursement by the designated disbursing official.

2.14 Cash Awards to Military Members

2.14.1. Military personnel may receive cash awards for suggestions, inventions, and scientific achievements as authorized by Military Service regulations.

2.14.2. Upon approval of the award, the Executive Secretary of the Suggestion Awards Committee, or designee, must prepare, sign, and submit a claim on an SF 1034, an electronic equivalent, or other Component-established form (plus a copy of the Suggestion Award Certificate) to the entitlement office.

2.14.3. The award payment will be payable against current funds available to the activity primarily benefiting, or the several funds or appropriations of the various activities benefiting ([10 U.S.C. § 1124\(e\)](#)). Refer to paragraph 1.2.8 for requirements pertaining to submission, payment, and mandatory payroll deductions. The claim for payment requires submission on an SF 1034, or electronic equivalent, and must provide the Home of Record of the military member for state tax reporting. The only exception to the requirement for withholding taxes on cash awards is when payment is made to an enlisted member serving in a combat zone. See Combat Zone Tax Exclusions discussed in [Publication #3 \(2020\), Armed Forces Tax Guide](#).

2.15 Rewards for Recovery of Lost DoD Property

Under [10 U.S.C. § 2252](#), certain rewards are authorized and paid as follows:

2.15.1. Commanders may offer rewards for recovery of lost property; and

2.15.2. The reward payment may be made to persons or organizations for the return of lost property, or information leading to its recovery.

2.15.2.1. Conditions for payment of reward include:

2.15.2.1.1. The persons or organizations must know a reward is being offered, or it is a general practice to offer rewards for the return of particular DoD property, or information leading to its recovery;

2.15.2.1.2. The claimant is not a member of the U.S. Armed Forces or an officer, employee, or agency of the U.S. Government; and

2.15.2.1.3. The payment is consistent with local laws, prevailing customs or practices, treaties, or international agreements.

2.15.2.2. A Military Department will not pay a reward of more than \$500 in any case. Rewards are payable from the current funds available for the Component concerned. The

voucher submitted for payment must be supported with a copy of the offer of reward, and a statement by the commanding officer or designated representative that all conditions for payment of reward and accountability for the property have been met.

3.0 PURCHASES OF SPECIAL ITEMS AND SERVICES

This section provides policy for various special items and services for non-recurring and non-contractual purchases.

3.1 Advertising

3.1.1. Newspapers. In accordance with [44 U.S.C. § 3702](#) and [FAR 5.502](#), contracting officers must obtain written authorization from the DoD Component head, or from a person who has received written delegation of authority from the head of a DoD Component, prior to advertising in newspapers, trade journals, and similar publications ([5 U.S.C. § 302\(b\)](#)). Such delegation of authority cannot be re-delegated. Newspaper advertisements are not payable unless the claim includes the advertising bill and a copy of the written authority. Requirements for payment and retention of documents are as follows:

3.1.1.1. Providing Substantiating Documentation. All invoices submitted to the purchasing office must be supported by an affidavit of publication or a copy of the publication or advertisement (known as a "tear sheet"). The officer placing the advertisement will attach evidence of authority to advertise to the invoice and forward the invoice to the designated entitlement office.

3.1.1.1.1. Except in cases of blanket authority to advertise, heads of contracting activities are delegated authority to approve the publication of paid advertisements in newspapers as prescribed by [DFARS subpart 205.5](#).

3.1.1.1.2. If advertising was authorized by a delegated officer, a copy of the delegation must be attached to the first voucher paid under such delegation and can be referenced on subsequent vouchers.

3.1.1.1.3. When the authority to advertise is given to several activities in the form of a notice or instruction issued by the head of a DoD Component based on the official's delegated authority, a reference to the authorizing notice or instruction on the advertisement order is acceptable in lieu of a copy of the authority.

3.1.1.2. Retention of Supporting Documents. Every account for official advertising rendered must include a copy of a tear sheet in which the advertisement appeared as a proof of publication. If tear sheets are not available, an affidavit or a copy of the advertised publication may be furnished in lieu thereof. The affidavit must include the signature of an official of the publishing firm or advertising agency where the order was placed and, in the case of advertising in newspapers or periodicals, must identify the issues in which the advertisement appears. Tear sheets or affidavits submitted as proof of publications must be attached to the

voucher. Volume 1, Chapter 9, Figure 9-1 prescribes policy for the retention period of vouchers and documentation.

3.1.2. Radio Advertising. The requirement of written authority for advertising from the head of a DoD Component, or from a person who has received written delegation of authority, does not apply to radio advertising (FAR 5.502(b)) unless required per Component policy. The other restrictive provisions contained in 44 U.S.C. § 3702 pertaining to advertising do not relate to radio advertising. There are no statutory restrictions upon the use of appropriated funds for radio advertising in the promotion of objectives. Payment for claims must be submitted on an SF 1034, or other approved Component form, accompanied by a copy of the invoice and an affidavit of publication furnished by the advertising agency ([FAR 5.503\(d\)](#)).

3.2 Arbitrator Fees

The use of arbitrator services under negotiated grievance procedures of management and labor union agreements is authorized. These services normally are acquired by issuance of a [DD Form 1155](#), Order for Supplies or Services, which specifies payment terms and conditions, and requires coordination between the civilian personnel office and the contracting support office. Reservation and obligation of funds is a requirement prior to executing the ordering/contracting action. Upon completion of the services, the civilian personnel office, or a designated official, must certify receipt of services. This certification will represent the receiving report required for payment. Payment will then be made using this certification, the arbitrators' billing statement, and the terms specified in the completed DD Form 1155. These payments are governed by the terms cited in the PPA (5 CFR, part 1315), unless the DD Form 1155 contains a specific payment due date.

3.3 Automobiles

The use of appropriated funds to buy or lease passenger motor vehicles must be specifically authorized by an annual appropriation act or other law (see [31 U.S.C. § 1343](#)). The purchase cost limitation identified in 31 U.S.C. § 1343 does not include articles used with a car but not permanently attached to it, or not an integral part thereof (e.g., tire chains, fire extinguishers, safety flares, removable seat covers, transportation of the vehicle, and taxes). The acquisition of motor vehicles should be from the most cost-effective source, which may be by purchase or commercial lease through the General Services Administration (GSA), or by any other method less costly to the Government as validated by a cost-comparison ([DoD Manual 4500.36](#)).

3.4 Blood Purchases

Appropriated funds may be used for the purchase of blood supplies from donors ([24 U.S.C. § 30](#)) or through civilian contracts ([DoDI 6480.04](#)) in accordance with the policies of the respective Military Services for persons entitled to medical treatment at Government expense.

3.5 Civilian Uniform Allowances

The Component's designated personnel must prepare and certify payment of civilian uniform allowances on an SF 1034 or electronic equivalent. The [DoDI 1400.25, Volume 591](#), prescribes the amount payable for uniform allowances per year and other related uniform allowance policies. The voucher for payment may include more than one employee. The payment must be charged to the same appropriation and subsidiary accounting data normally charged for the salary of the personnel concerned. See the Guidebook for additional information and policy.

3.6 Confinement of Prisoners in Civil Detention

3.6.1. Prisoners may be confined in civilian facilities used by the U.S. Marshals Service when DoD confinement facilities are not available, or do not provide for the separation of male and female prisoners in accordance with [DoDI 1325.07](#). The transferring commanders must determine if a military confinement facility, including military/security police detention cells, is not reasonably available. If a facility used or approved by the U.S. Marshals Service is not reasonably available, a military prisoner may be transferred to a facility accredited by the American Correctional Association, or a facility accredited by the State for confinement.

3.6.2. The Provost Marshal's Office, which transfers prisoners, must provide the entitlement office with a certified voucher and supporting documents containing an itemized list of expenses of the confinement (10 U.S.C. § 956). After entitlement, the disbursing office will remit payment to the civil confinement facility. Supplies necessary for personal hygiene and maintenance of good health will be provided to all military prisoners. The Military Services may also provide supplies for a prisoner's comfort, establish monetary or quantity limitations on any supplies, and establish other limitations as deemed appropriate by Service corrections headquarters. Supplies issued to persons in a non-pay status will be paid from appropriated funds. The cost of health and comfort supplies provided to persons in a pay status will be charged against their pay accounts or paid from their personal funds.

3.7 Copies of Official Records or Documents

Fees required by local laws for certified copies or photocopies of public records, or documents required by a court or board, may be paid to the performing officials or legal entities. Current operation and maintenance funds may be used to purchase death certificates for deceased retired personnel. The claimant must sign a statement attesting all resources have been exhausted attempting to find beneficiaries, and none were found.

3.8 Demurrage on Cylinders

3.8.1. Vouchers covering demurrage charges on reusable gas cylinders or drums retained beyond the contracted free loan period must state size, type and quantity. Often, demurrage charges are not funded through the contract due to variables such as a free loan period, the daily rental charge, and delivery shipping point. In computing the period involved, establish the free loan period to commence on the first day after date of delivery of each container without regard to any

particular cylinder. In such cases, the contractor's claim must explain the method of calculating demurrage.

3.8.2. The contractor's claim must cover the preceding demurrage payment and other identifying data such as the cylinder number(s), date of delivery of cylinder(s), date rental starts, date of return of cylinder(s), and the actual number of days and rate per day on which the charges were computed. The Component causing the delay must attach an SF 1034 or an electronic equivalent to support the contractor's claim by identifying the voucher upon which payment was originally made for the filled containers, and citing an appropriate line of accounting. Coordination with the contracting officer or ordering official may be necessary to ensure demurrage costs are not already covered as part of the price(s) negotiated for the cylinder(s) and/or their contents.

3.9 Discrimination Complaints

3.9.1. Overview. Costs incurred in processing discrimination complaints may include travel expenses, attorney fees, investigation expenses, costs of administrative judges, and court reporters ([5 CFR, part 1201](#) and [29 CFR, part 1614](#)).

3.9.2. Attorney Fees. In cases involving complaints of discrimination, attorney fees may be awarded pursuant to a no-fault settlement agreement, an informal adjustment, the decision of the Service director of Equal Employment Office (EEO), the Equal Employment Opportunity Commission (EEOC), the Merit Systems Protection Board, an arbitrator, a Federal court, or other appropriate authority. After review and approval of the award letter by the legal counsel, the EEO manager of the legal office must initiate or authorize the claim for reimbursement. The Component's request for reimbursement of these fees must be as a joint payment to the complainant and complainant's representative supported by an award letter and approval. The claim must cite current operating funds. Policy pertaining to allowable and reasonable attorney fees is in 29 CFR, part 1614.

3.9.3. Investigation Expenses. Most complaint investigations are conducted by an investigator assigned to the appellate review agency. The EEO manager is responsible for arranging for the investigator's visit and submitting a claim for expenses. The chief EEO counselor will initiate a purchase request for expenditures of miscellaneous purchases. An SF 1034, electronic alternative, or a DD Form 1155 supported by the investigator's expense receipts, approved by the chief EEO manager, and certified by an authorized certifying officer, will be used to make payment. The claim must cite operating funds current at the time of investigative services.

3.9.4. EEO Administrative Judge. The EEOC assigns an EEO Administrative Judge to hold hearings on formal complaints of discrimination and otherwise process individual and class complaints for the EEOC. Expenses associated with these complaints where the alleged discrimination took place must be funded using operating funds current at the time of requesting the services. The EEOC will bill the activity for any authorized and required expenses (29 CFR, part 1614). The chief EEO manager at the activity, or assigned designee, must review and approve the EEOC billing.

3.9.5. Court Reporter. The chief office of counsel typically arranges for the services of a court reporter by submitting a request to the DoD Component contracting office. Costs for court reporter services must be paid by the activity where the alleged discrimination took place, using funds current at the time services are requested. The chief EEO manager at the activity, or assigned designee, must review and approve the requests for payment.

3.9.6. Interest. Interest payments related to discrimination cases (when permitted by statute) are to be charged to funds current at the time of the award. The Treasury establishes the rate to be used. This interest rate is not the same as when computing interest under PPA.

3.10 Emergency Notification Service (9-1-1)

3.10.1. Emergency notification is a service allowing a telephone subscriber to dial one number, often 9-1-1, for any emergency. A central control desk takes the call and notifies the appropriate local government agencies. This service often is provided by a state or local government and is funded by charges collected from telephone subscribers. In many cases, this charge is a tax levied by the providing agency, and the telephone company merely acts as a billing and collection agent.

3.10.2. If 9-1-1 fees are imposed by the telephone company for its own service, and duly permitted by the tariff to which all utility customers are subject, the charge is proper and payable by the DoD. The DoD does not have immunity from such fees. If, however, a state or local government is imposing the charge and merely using the telephone company as its agent, then the charge amounts to a tax from which the DoD is exempt.

3.10.3. If a military installation receives an invoice for a 9-1-1 charge imposed by a state or local government, the tax is not payable. If fees were improperly paid, refer to the collection policy in Volume 16, Chapter 5 to recover them.

3.10.4. If it is unclear whether such charges are taxes or service charges, the designated entitlement office, or responsible certifying officer, must contact the base communications officer or higher authority. This clarification must be included as part of the entitlement and certification documentation used to support the payment request.

3.10.5. Telephone service provided to on-base residents is a private contract between the resident and the local telephone company. If residents receive charges for 9-1-1 services, they may not claim exemption based on immunity. If a resident of the base housing lives in an area where all fire, police, and other emergency services are provided by the base, the charge may be for services the resident does not receive, and a challenge may be possible. Regardless of the basis a resident of base housing uses to challenge a 9-1-1 charge, it remains a private matter between the subscriber and the telephone company and is not a DoD reimbursable expense.

3.11 Hospital Accreditation

Hospital accreditation fees associated with the requirements contained in the [DoD Manual 6025.13, Enclosure 3](#) for medical facilities accredited by the Joint Commission

on Healthcare Organization may be reimbursable. A deposit may be required to be paid for an initial customer and, therefore, may be reimbursable. Accreditation and certification on-site fees are invoiced 1 to 5 days following the survey event completion and would be reimbursable for those requiring accreditation. Accreditation annual fees may also be payable and are subject to the programs, services, volumes, and sites where service is provided.

3.12 Lost or Damaged Clothing Payments to Military Personnel

If the loss was not caused by any fault or negligence of the Service member, reimbursement is authorized to compensate military personnel for clothing items destroyed, damaged, lost, abandoned, captured, or otherwise rendered unusable, incident to military training or service ([DoDI 1338.18](#)). Personnel must submit an approved Service-specific Personal Clothing Claim form, or electronic equivalent. The Service member's activity billing office must prepare an SF 1034 or electronic equivalent for payment to the member.

3.13 Medical Services Provided by Civilian Non-Federal Sources

3.13.1. Members. The military medical treatment facility (MTF) can refer members to civilian health care providers for diagnostic services, treatment, or both. Upon receipt of an itemized invoice from the civilian health care provider, the claimant must submit a request for reimbursement to their designated Component. The Component must prepare an SF 1034, or electronic equivalent, within 30 days from the later of receipt of an invoice or the date of acceptance of the care. The same standards apply to an approved claim for services rendered in connection with care of a deceased member.

3.13.2. Dependents and Retired Personnel. Dependents and retired personnel are authorized certain medical care and diagnostic services as established by [10 U.S.C. §§ 1071-1085](#). When a MTF is managing the care of dependent and retired personnel, and must refer those personnel to civilian facilities for the care beyond the MTF's capability, payment for related supplemental care is authorized. The claimant must submit an itemized invoice from the health care provider to their designated billing Component. The Component must prepare an SF 1034, or electronic equivalent, within 30 days from the later of receipt of an invoice or the date of acceptance of the care.

3.14 Security and Firefighting Services

The DoD may not make payments for any service required to be provided by the local government when such service is financed from revenues raised by state or local taxation from which the Federal Government is exempt. Common examples are police and fire protection ([10 U.S.C. § 2465\(a\)](#)). Refer to 10 U.S.C. § 2465(b) for exceptions of authorized payments.

3.15 Municipal Services

In accordance with [DFARS subpart 241.1](#) and [DFARS subpart 241.2](#), the DoD may pay on the same basis as private users of services, based on the quantity of direct services received,

e.g., water and sewage. The general rule is the DoD will not pay for municipal services, unless private citizens and businesses also pay a charge for the same services.

3.16 Patents, Copyrights, and Designs

Appropriated funds available for making or procuring supplies may be used to acquire the following, if the acquisition relates to supplies or processes produced, or used by or for, or useful to the DoD ([10 U.S.C. § 3793](#)):

3.16.1. Copyrights, patents, and applications for patents;

3.16.2. Licenses under copyrights, patents, and applications for patents;

3.16.3. Design and process data, technical data, and computer software; and

3.16.4. Releases for past infringement of patents or copyrights or for unauthorized use of technical data or computer software (10 U.S.C. § 3793).

3.17 Pollution Control Permits or Fees

In the absence of express Presidential exemption, DoD facilities must abide by state or local laws for abatement and control of pollution. These facilities may incur costs related to compliance with these laws for obtaining permits and paying the associated fees for the management of natural resources. Submit an SF 1034, or electronic equivalent, to pay these expenses. The request for payment must include supporting documentation identifying the permit application fee and other related fees, approved by the base civil engineer or assigned designee.

3.18 Reciprocal Mutual Aid Agreements for Fire Protection

3.18.1. Claims for reciprocal mutual aid agreements for fire protection, as required by [44 CFR, part 151](#), are submitted to the Administrator, U.S. Fire Administration, Federal Emergency Management Agency (FEMA), Washington DC 20472, by non-DoD firefighting organizations. If approved, such claims are paid by the Treasury, subject to reimbursement by the DoD installation under whose jurisdiction the fire occurred.

3.18.2. If the claims affect current funding for fire protection, then FEMA will contact the installation as a part of its claim processing and adjudication procedures. The DoD installation must provide information requested, in coordination with the civil engineer, fire protection unit, and staff judge advocate. The DoD installation must provide the complete name and address of the disbursing office, including the Disbursing Station Symbol Number, and an appropriation fund cite for fire protection funding so the Treasury can bill for reimbursement for approved claims paid.

3.18.3. All sums received as reimbursements for costs incurred by any DoD activity for fire protection will be credited to the same appropriation or fund from which the expenses for fire

protection were paid. If the period of availability for obligation of that appropriation has expired, credit the fund or appropriation currently available for the same purpose ([42 U.S.C. § 1856d\(b\)](#)).

3.19 Representation and Contingencies Fund Use

3.19.1. [Overview](#). The policy in this paragraph applies to disbursements made against funds separately appropriated in the contingencies program. These include representation, special expenses, and contingencies. For each fiscal year, the Congress appropriates funds in the contingencies program under the statutory authority in [10 U.S.C. § 127](#) for use by the head of each DoD Component. Funding documents provide authority to obligate and expend contingency funds as approved, or as adjusted later during the fiscal year.

3.19.2. [Representation Funds](#). The head of a DoD Component must authorize the expenditure of Official Representation Funds by commanders for official entertainment or other official purposes in accordance with 10 U.S.C. § 127 and [DoDI 7250.13](#).

3.19.3. [Emergency and Extraordinary Expenses \(10 U.S.C. § 127\)](#). The language in the Appropriation Act for contingencies usually reads: “For emergencies and extraordinary expenses, to be expended on the approval of the Secretary of the cognizant Military Service, and payments may be made on their certificate of necessity for confidential military purposes.” The following policies apply, depending on the type of payment involved.

3.19.3.1. [Miscellaneous Current Expenses](#). Claims for these expenses must be submitted using an SF 1034 or electronic equivalent with attached receipts or other supporting documentation, depending on security protocols.

3.19.3.2. [Intelligence Contingency Funds](#). Expenses incurred using these funds are for confidential military purposes and are normally made based on a [DD Form 281](#), Voucher for Emergency or Extraordinary Expense Expenditures ([file has limited permissions](#)). The original vouchers (i.e., DD Form 281), must be returned to the originator. Refer to Volume 5, Chapter 9 for additional information on vouchers related to contingency funds.

3.19.3.3. [Investigation Expenses](#). Requests for reimbursement of expenses for other than confidential military purposes must be submitted on an SF 1034 or electronic equivalent. The originating office will retain a copy of the voucher and ensure the supporting documents are submitted to the entitlement office. Request for classified investigation expenses for confidential military purposes must be submitted on a DD Form 281. Refer to Volume 5, Chapter 9 for additional information on the handling of classified vouchers and documentation.

3.20 Special Drinking Water

In situations where water supply systems providing service to DoD organizations do not meet the standards prescribed in [40 CFR, part 141, subpart C](#), special drinking water may be purchased with appropriated funds only when it is necessary from the Government's standpoint. The claim for reimbursement requires a statement attesting the drinking water is non-potable, along with a public announcement or a copy of the water testing results. Some examples are:

3.20.1. The public water is unsafe for human consumption;

3.20.2. There is an emergency failure of the water source on the installation;

3.20.3. There is a temporary facility with no drinking water available within a reasonable distance; or

3.20.4. There is no water fit for drinking purposes available without cost or at a lower cost to the Government.

3.21 Support of Armed Forces Personnel in Confinement

3.21.1. Purchase of health and comfort items for personnel confined on-base is authorized to all military prisoners, subject to the provisions of DoDI 1325.07. Reimbursement for the purchase of these items must be claimed using an SF 1034 or electronic equivalent. Supplies issued to persons in a non-pay status will be paid from appropriated funds. The cost of health and comfort supplies provided to persons in a pay status will be charged against their pay accounts or paid from their personal funds.

3.21.2. A prisoner confined without essential clothing will be provided suitable clothing, on a temporary loan basis, by the Military Confinement Facility commander. Permanent issue items, except for distinctive prisoner clothing, will be subject to personal funds withdrawal if the prisoner is in a pay status. All necessary items of clothing for a prisoner confined in a non-pay status will be provided at Government expense.

3.22 Telephone and Television Service

3.22.1. Statutory Provisions

3.22.1.1. Appropriated funds should normally not be used to pay for telephone service to private residences, except in those instances identified in [31 U.S.C. § 1348](#) and [DoDI 1100.21](#). Long distance calls from private residences for official business may be paid from appropriated funds when supported by properly certified vouchers.

3.22.1.2. Charges for official telephone service, and charges for metered services, for a period beginning in one fiscal year and ending in another fiscal year may be paid from the appropriation current at the end of the period covered by the service ([31 U.S.C. § 1308](#)). This rule also applies to leased wire and teletypewriter services.

3.22.1.3. Telephone services provided for Service clubs, motion picture service, military Exchange store activities, and officers' and non-commissioned officers' messes within the United States are subject to federal communications taxes ([26 U.S.C. § 4251](#) and [26 U.S.C. § 4252](#)).

3.22.2. Increased Rates. The contract for telephone service may provide for payment of telephone charges at legally established rates. Under such contracts, rate increases approved by

rate-setting authorities may be paid. Increased rates billed in advance of pending approval by rate-setting authorities may be payable, but will be subject to adjustment if the increase does not receive approval.

3.22.3. Payment Policy.

3.22.3.1. The office designated to receive the telephone bills from the telephone company must coordinate the preparation and certification of the SF 1034, or an electronic equivalent, for payment. Local Component procedures must be in place to confirm the number and active statuses of the phone lines/numbers billed, and ensure the related costs reflect charges for official or other authorized use.

3.22.3.2. The SF 1034 must be forwarded to the designated payment office, together with the telephone company's summary billing statement, which includes totals for the monthly plan and long distance charges. The detailed listings, and schedules supporting the telephone company's bill, must be retained by the responsible office and not be attached to the payment voucher, unless required by local procedures. Components must follow established local ethical conduct and related personnel policies and procedures in addressing the reimbursement of costs associated with unauthorized use. Any funds collected must be handled in accordance with the Component's appropriation and fund deposit rules and regulations.

3.22.4. Teletypewriter Service. If telephone companies provide teletypewriter services, the charges, based on time used, will be processed in the same manner as the telephone charges identified in this section.

3.22.5. Satellite Communications Service. Government communication systems and equipment are only for official use and authorized purposes. The use of Navy communication systems and equipment for other than official use is at the commanding officers' discretion, as long as the Navy does not incur additional cost or the use does not degrade mission readiness ([Operations Navy Instruction \(OPNAVINST\) 2060.8B](#)). The communications officer must collect for unauthorized or unofficial charges on a DD Form 1131, Cash Collection Voucher, from personnel using the ships' communication service in an unauthorized manner. The communications officer must immediately turn over the amounts collected to the disbursing office. When the telephone company bills the ship for the service, payment must be made to the telephone company by the designated payment office using an SF 1034 to substantiate the payment.

3.22.6. Reimbursement for Telephone Wiring Maintenance. Charges paid by the tenant for telephone wiring maintenance necessary in base housing may be reimbursable in accordance with 31 U.S.C. § 1348. Charges for internal wiring repair in family housing will be reimbursable from maintenance funds and charges for unaccompanied personnel housing from current base funds.

3.22.7. Telephone and Television Reconnection Charges

3.22.7.1. Payment using appropriated funds is authorized for reconnection expenses where a move is the result of Government action over which the member has no control,

and the move is directed at Government expense. Exclude expenses incurred during permanent change of station (PCS) that may be reimbursable under the PCS orders or other related regulations.

3.22.7.1.1. Payment is authorized for the following moves as directed by the base commander:

3.22.7.1.1.1. Mandatory assignment to Government-owned housing facilities,

3.22.7.1.1.2. Involuntary relocation to Government or non-Government facilities because of base renovation or condemnation proceedings, or

3.22.7.1.1.3. The termination of assigned quarters because of death of qualifying dependents.

3.22.7.1.2. Members are not authorized reimbursement for moves involving:

3.22.7.1.2.1. Voluntary termination of assigned quarters,

3.22.7.1.2.2. The termination of assigned quarters due to demotion to ineligible grade or adverse conduct by a member,

3.22.7.1.2.3. The termination of assigned quarters due to family separation (no hardship involved), or

3.22.7.1.2.4. Member's voluntary movement from off base to on-base quarters.

3.22.7.2. Reimbursement of the member's claim or a direct payment to the contractor is chargeable against the appropriation covered by the service.

3.22.7.2.1. Reimbursement to Member. A Service member may pay for reconnection charges when billed and then file a claim for reimbursement. The member must submit the invoice, letter, or special order directing the move, and a letter request to the billeting officer for bachelor quarters or to the base civil engineer for military family housing for approval and certification.

3.22.7.2.2. Direct Payment Method. A Service member may submit the same documentation through the billeting officer or base civil engineer to the entitlement office for a direct payment to the contractor. These payments are not subject to the PPA. The payment voucher must contain the statement, "Payment is being made for the following individual(s) for reconnection services on the following dates." Activity controls and procedures must be designed to ensure a duplicate reimbursement is not paid to the Service member at a subsequent time.

3.22.7.3. Support the reimbursement or direct payment to the contractor with the following:

3.22.7.3.1. The special order or letter directing the move;

3.22.7.3.2. The letter from the member requesting reimbursement for reconnection charges already paid or a direct payment to the contractor for charges not yet paid. The member must certify the amount invoiced includes only those charges incurred in restoring telephone or television services previously provided at their old location and does not include charges for any new services or equipment; and

3.22.7.3.3. A copy of the telephone or television company invoice certified by the chief of services or base civil engineer showing only reconnection charges. All other charges are the responsibility of the member and must be paid separately.

3.23 Tuition and Training

3.23.1. Authorized Reimbursements. Tuition and training reimbursements to employees are miscellaneous payments. [Title 5 U.S.C. § 4109](#) provides the authority to reimburse employees for necessary training expenses (e.g., tuition and matriculation fees; library and laboratory services; purchase or rental of books, materials, and supplies; and other services or facilities directly related to employee training). Refer to the [DoDI 1322.25](#) for additional tuition and training guidance.

3.23.2. Military Personnel. Tuition assistance for military personnel must be paid directly to the academic institution in accordance with the contract terms with that institution. Reimbursement to the member for other related reimbursable expenses requires a properly certified [SF 182](#), Authorization, Agreement and Certification of Training, or other Component-approved form. Component procedures must ensure specified annual and per course hour reimbursements do not exceed allowable limits and prevent duplication of payments.

3.23.3. Civilian Employee Training. A miscellaneous payment request is required for direct reimbursements to employees for necessary training expenses, such as books and supplies. Employees submitting requests for these reimbursements must use an SF 182 or other Component-approved form. Refer to [DoDI 1400.25, Volume 410](#) for additional policies and procedures regarding training education, and professional development activities for civilian employees.

3.23.3.1. The training must be a regularly scheduled, off-the-shelf course, training conference, or instructional service available to the public and priced the same for everyone in the same category (i.e., price per student, course, program, service, or training space). To minimize the need for reimbursing the employee, the preference is to pay the training provider directly.

3.23.3.2. Prohibitions against the payment of tuition or other expenses for training include overtime, holiday, and night differential pay, or membership fees as outlined in the DoDI 1400.25, Volume 410 and 5 U.S.C. § 4109.

3.23.3.3. The [Joint Travel Regulations, chapter 3, part B](#) contains travel and transportation policy involving attendance at training.

3.23.4. Advance Payment. Advance payment of tuition and other expenses is authorized (5 U.S.C. § 4109 and [31 U.S.C. § 3324](#)) either when the training facility renders, or refuses to render, a billing. The SF 182 will identify the training facility by name and address, the amount payable to the facility for the advance of tuition, as well as the amount payable to the trainee for purchase of books, library, and laboratory services. The SF 182 must be submitted to the entitlement office to support payment of the advance as a miscellaneous payment.

3.23.5. Liquidation of Advance. Within five workdays after completion of the training, the trainee will prepare an SF 182 itemizing the training expenses, attach receipts when obtainable, and submit the original agency finance copy of the SF 182 endorsing the advance payment information. The disbursing office will liquidate the advance payment in the same manner as prescribed for travel advances.

3.24 Tuition Refunds

3.24.1. When the DoD Education Activity (DoDEA) determines refunds are payable to sponsors of tuition-paying students attending DoD operated schools, refunds will normally be a prorated amount of tuition when enrollment is terminated prior to the end of the grading period ([DoDEA Administrative Instruction 7200.01](#)). A refund of advance tuition payment is only authorized based on a full grading period. A grading period is considered to be any one of the four periods established by the school, and covered by student report cards.

3.24.2. The school administrator must ensure deposit funds are available and prepare an SF 1034, which must include the name of the student, date of enrollment termination, and the amount authorized for refund.

3.24.3. The entitlement office will pay the voucher after reviewing it for propriety and ensuring related funds are available in deposit fund accounts.

3.25 Payment for Contract Quarters for Foreign Military Sales (FMS) Travelers

Contract quarters are reimbursable to the contractor for personnel traveling on official orders in connection with FMS. The Security Assistance Management Manual ([DoD 5105.38M, Chapter 10](#); Volume 15, Chapter 8; and other appropriate DoD Component regulations prescribe the travel policy under which this payment would occur. The claimant must prepare an Optional Form ([OF 1164](#), Claim for Reimbursement for Expenditures on Official Business, SF 1034, or other Component-approved form, or electronic equivalent, and submit it along with a copy of the official orders to obtain reimbursement.

4.0 PROFESSIONAL LIABILITY INSURANCE (PLI)

4.1 Civilian Employees

Certain civilian employees (law enforcement officer, supervisor, management official, or temporary fire line manager) may be eligible for PLI reimbursement up to one-half of the insurance premium costs incurred annually, not to exceed \$150 per year (see [5 U.S.C., chapter 59, subchapter IV](#) and [DoDI 1400.25, Volume 885](#)).

4.2 Conditions for Payments of PLI

An employee must submit an insurance policy and proof of payment to their servicing Human Resource Office/Civilian Personnel Office (HRO/CPO). The employee also must submit a completed OF 1164, SF 1034, or other Component-approved form, or electronic equivalent, certified by the HRO/CPO approving official and an invoice from the insurance carrier. The insurance carrier invoice must include the issuing company's name, the policy number, and proof of payment. If it is not evident to the paying office that the carrier's invoice, or the policy itself, is a qualified professional liability policy, the invoice will be returned to the employee, requesting they provide evidence the sole purpose of the policy presented for reimbursement is to provide liability insurance. The reimbursement is not reportable as taxable income and not subject to IRS Form W-2, Wage and Tax Statement, reporting.

5.0 GOVERNMENT CHARGE CARDS CENTRALLY BILLED ACCOUNTS (CBAs)

5.1 Government Charge Cards CBAs

This section provides financial management policy for CBA billings (hereafter referred to as "invoices" for the purposes of this policy). The GSA's Government-wide [SmartPay3 contract](#) and applicable DoD-tailored task orders authorize the use of CBA programs for the DoD. The Government Travel Charge Card program has two types of travel cards: the Individual Billed Account (IBA) and the CBA. The financial management policy associated with IBAs is contained in Chapter 23. CBA transportation accounts are issued to DoD activities and are restricted to the purchase of air, rail, and bus tickets only for travelers who are not eligible for an IBA. Mission requirements of the unit determine credit limits on CBAs. There are two types of CBAs:

5.1.1. A transportation account is a cardless account issued to a Government transportation office for use in purchasing transportation, to include airline, bus, and rail tickets.

5.1.2. A unit travel card may be issued to an individual or unit for group travel only when it is cost-effective and in the interest of the mission. Unit cards are designed to accommodate groups of travelers such as new recruits, prisoners, and foreign nationals participating in an official DoD-sponsored program or activity.

5.2 Policy

5.2.1. The [Office of Management and Budget Circular A-123 Appendix B](#), [A Risk Management Framework for Government Charge Card Programs](#), provides policy for Federal Government charge card programs.

5.2.2. The [DoD Government Charge Card Guidebook](#) for Establishing and Managing Purchase, Travel, and Fuel Card Programs is a consolidated guide that provides policies, unique business rules and procedures for DoD charge card programs.

5.2.3. Government centrally billed travel card policies are prescribed by [DoDI 5154.31, Volume 4](#), Commercial Travel Management: DoD Government Travel Charge Card (GTCC) Program. Payment provisions are available in DoD Component regulations and Standard Operating Procedures.

5.3 CBA Billing Statements

CBA contractors will furnish a monthly invoice or statement of account, showing charges made during the billing cycle. The invoice must contain the elements specified in Chapter 8. The date of receipt of the invoice in the Billing Office starts the PPA clock.

5.4 Roles and Responsibilities

Officials must work together to ensure accuracy, propriety and legality over centrally billed accounts and related payments. Volume 5, Chapter 5 provides roles and responsibilities of accountable officials for CBA programs. The certifying officer ensures that only certified payment packages are forwarded for payment.

5.5 Documentation

Accountable officials must ensure maintenance of documentation, at all levels, to support the integrity of the Government CBA programs and facilitate the reconciliation and payment of CBA transactions. Accountable officials must establish clear audit trails for CBA transactions by maintaining documentation to support each purchase such as travel orders/authorizations; requisitions, including cross references to any related Blanket Purchase Agreements; telephone and mail order logs; receipt records; and credit slips (DoDI 5154.31, Volume 4, Commercial Travel Management: DoD Government Travel Charge Card (GTCC) Program). Certifying officers must review the payment packages to ensure the information agrees with all supporting documentation before certification and submission to the entitlement office for payment. Volume 5, Chapter 15 prescribes responsibility for certifying officers to make records and supporting documents accessible to authorized users.

5.6 Disputed Transactions

Government CBA owners must dispute, or report as fraud, questionable transactions with the issuing bank in accordance with the timetable and provisions contained in the contract with the

issuing bank and local procedures. Approving officials must notify the entitlement office by annotating the invoice or the invoice package to show reductions for disputed charges and must maintain records to track disputed transactions to full resolution.

5.7 Designated Entitlement Office

The designated entitlement office personnel rely on the certifying officer to ensure the validity, legality, and accuracy of certified invoice packages. The designated entitlement office must ensure all certified invoice payment packages undergo prevalidation to ensure the availability of funding. They must also ensure a DD Form 577 is on file to verify all manually and electronically certified payment packages.

5.8 Records Retention

Approving officials in the billing offices submitting CBA Billing Statements must ensure proper audit trails exist, and documentation is available to support all charges and CBA payments. The retention of documentation, both paper and electronic records, is the responsibility of the certifying officer. Refer to Volume 1, Chapter 9, Figure 9-1 for statutory retention requirements.

6.0 PAYMENTS UNDER REAL PROPERTY LEASES

6.1 Overview

Leases are subject to the statutory and regulatory provisions applicable to DoD contracts, as well as the specific statutory provisions pertinent to leases themselves. A lease is a contract, which conveys the use of land or buildings for a specified time at a specified rate of compensation. Leases describe the premises, the specific period involved, purpose for which used, the amount of rent, method of payment, special or operational services included (such as heat, light, water, and janitorial services), and any restoration provisions. If the lessor fails to provide the services called for in the lease, then the lessee (DoD) may pay the cost and deduct the amount from the lease rental payments.

6.2 Rent

6.2.1. Fractional Parts of a Month. The calculation to determine payment for part of a month for leased premises must include the actual number of days involved. In computing the time between two dates, the general rule is to exclude the first and include the last date, except when the lease is for a specified term and begins on the date of occupancy.

6.2.2. Monthly Installment Payments of Annual Rent. A lease generally begins on the first of the month. For leases that begin on a date other than the first, the monthly rent installments become due and payable on the date of each month numerically corresponding to the date the term began, less one day. The amount of each installment should be one-twelfth of the annual rate, regardless of the number of days in any calendar month.

6.2.3. Recurring Rental Charges. Processing payment for these charges occurs without requiring individual invoices from the vendor. At the end of each rental period, the using activity or

the designated payment office must prepare an SF 1034 or an electronic equivalent. The claim must identify the lease, confirm the use or availability of the property during the rental period, include all relevant documentation supporting the payment, and be processed in accordance with the provisions of the lease. Refer to the Guidebook for preparation instructions of an SF 1034. Lease or rental payment transactions between intra-Governmental entities must be processed using the Intra-Governmental Payment and Collection (IPAC) System or the G-Invoicing process, as prescribed by the [TFM, Volume 1, Part 2, Chapter 4700](#), Appendix 5, Section 3, and Appendix 8.

6.2.4. Reporting Rental Payments Made to Civilian Landlords. At the end of each calendar year, report yearly rental payments of \$600 or more to the IRS. Do not report payments to real estate agents. See the [DFAS Tax Office](#) website and Chapter 6 for additional information and policy concerning 1099 reporting.

6.3 Party Entitled to Rental Payment

6.3.1. If DoD occupies land under a lease, the rental payment cannot be avoided because of any defect in the title of the lessor at the time of entering into a lease agreement.

6.3.2. If DoD occupies land owned by several tenants-in-common under an agreement with one of them, and without objection by the others, such tenant-in-common is entitled to receive the rent.

6.3.3. If property leased to DoD sells on one day and the deed of conveyance is executed on another day, the grantee is entitled to receive the rental from the property only from and after the date of execution of the deed.

6.3.4. Liability for rent due does not become payable day-by-day. It becomes due in total on the dates set forth in the lease. There will be no proration of the payment for several owners, who may have owned the premises for a portion of the rental period. When leased property changes ownership through a sale, a copy of the deed of sale is furnished for association with the lease contract. If proper notification is provided to the lessee, payment is made to the titleholder on the due date.

6.4 Payment for Leased Land

Payment for leased land is not payable in advance. Payment for leases in foreign countries for periods of time is by direction of laws and ministerial regulations of foreign countries or local customs ([10 U.S.C. § 2396](#)).

6.5 Payment for Cost of Improvement of Rented Premises

DoD lease agreements must be clearly written regarding provisions for laying conduit and wires, making alterations, performing repairs, or making other improvements. Thus, unless the lease clearly provides for making such improvements at DoD expense, the payment of any cost associated with this type of improvement effort is not authorized.

6.6 Payment of Taxes on Property

Although taxes are not payable by DoD as the owner of real property, such taxes are properly payable as part of the rent when specifically included in the terms of the lease.

6.7 Payment of Rent in Connection with Termination of Lease

The terms of the lease determine the basis of payment. Leases containing the standard U.S. Army Corps of Engineer's termination clause require payment for the day after the notice of termination mailing plus 29 days. Leases containing other termination provisions should be analyzed on an individual basis, in consultation with local legal counsel to determine the correct amount of rent due upon termination of the lease.

7.0 PAYMENTS UNDER INDIVIDUAL SET-ASIDE CONTRACTS (ISAs)

Reimbursements made to medical health service providers serving under ISAs may be subject to Federal tax and the Federal Insurance Contributions Act depending on the terms of the contract. If required, payments made under ISAs will be reported by DoD at the end of the year to the IRS on a Form W-2 in accordance with Social Security Administration/IRS guidelines ([IRS Publication 15, Circular E](#)). The DoD Tax Reporting Office will perform the W-2 reporting requirements. Refer to Volume 8, Chapter 9 for disbursements to taxing authorities.

8.0 PAYMENTS OF FEES FOR GUEST SPEAKERS, LECTURERS, AND PANELISTS

Payment for expenses associated with honoraria (guest speaker fees) is allowable for individuals who are not Government personnel. Honoraria are ex gratia payments and are made to a speaker who has discretion concerning the content of the speech, presentation, or panel discussion on the general topic. In contrast, honoraria limitations do not restrict payment for presentation of materials under a training contract involving a program of instruction. To avoid excessive payment of honoraria, the Deputy Secretary of Defense has established a policy for honoraria amounts greater than \$2,000 must have approval by the next higher organizational echelon. Such approvals will be in accordance with the Component's established procedures.

9.0 INTRA-GOVERNMENTAL TRANSACTIONS

The TFM, Volume 1, Part 2, Chapter 4700, Appendices 5 and 8 prescribes policy for agencies to process intra-Governmental expenditure transactions through the IPAC system or the [G-Invoicing process](#). IPAC is an electronic internet-based collections and payment system. Refer to Volume 5 for additional policy regarding IPAC and [G-Invoicing](#).

9.1 Border Clearance Inspectors Overtime Expenses

9.1.1. If border clearance inspectors are required to work overtime, or on Sundays and holidays, at a DoD installation, the DoD installation must pay the overtime expenses incurred, including travel and subsistence in accordance with [19 CFR, 24.16](#) and [19 CFR, 24.17](#). Border clearance officials regularly assigned to DoD installations will not receive payment for travel and

subsistence. When additional inspectors are required to supplement the regularly assigned inspection staff, the DoD installation pays for their overtime, travel, and subsistence.

9.1.2. If a DoD aircraft lands at a site other than a DoD installation, the home station of the aircraft must pay the charges. When a DoD aircraft lands at another DoD installation, the installation providing the landing clearance services must accept the border clearance and inspection expenses. Financial managers must ensure funds are reserved to pay for these claimed expenses. The DoD official designated to make the necessary arrangements must maintain accurate records, submit requests for overtime, certify receipt and acceptance of services, and forward the billings for payment. Invoices received from one agency may be consolidated and processed for payment by using a single IPAC or [G-Invoicing](#) transaction.

9.2 GSA Payments, Where DoD Liability Exists for Damages to GSA Motor Pool Vehicles

9.2.1. Except for normal wear and tear, the DoD is pecuniarily liable for loss of or damages to GSA motor pool vehicles caused by negligence, misconduct, abuse, or inattention of military or DoD civilian personnel.

9.2.2. The operator of the vehicle is responsible for notifying the GSA fleet management center, his/her supervisor, and the state, county, or municipal authorities as required by law ([41 CFR, section 101-39.401](#)) when damages occur to a GSA vehicle. GSA will charge DoD for all costs resulting from damage, including vandalism, theft and parking lot damage to a GSA vehicle on a case-by-case basis after a review of the documentation required by [41 CFR, section 101-39.406](#). Upon receipt of GSA's assessment of damages, use the IPAC system, [G-Invoicing](#), or an [SF 1080](#), Voucher for Transfers Between Appropriations and/or Funds, to process the payment to GSA. The DoD Component to which the vehicle was assigned must provide the fund cite for the payment. The SF 1080 must identify the damaged vehicle involved, and include the vehicle registry number, date of damage, register number of the [SF 91](#), Motor Vehicle Accident (Crash) Report, and, when applicable, include an [SF 94](#), Statement of Witness.

9.2.3. Provide one copy of the voucher, without supporting papers, with the IPAC payment to GSA. Support the original voucher, and other copies of vouchers, (when required) with a copy of the Report of Survey, and the cost of repairs statement prepared by GSA.