



# NASA Financial Management Manual

## Draft

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### **FMM 9630 INVOICE EXAMINATION AND PAYMENT**

### **FMM 9631 INTRODUCTION TO INVOICE SYSTEM AND RELATED DOCUMENTATION**

#### **9631-1 GENERAL**

- a. This chapter sets forth principles, requirements and procedures which govern examination, certification and payment of vouchers, invoices, contract financing requests, claims and other payment requests. The term "voucher" generally encompasses vendor invoices or other approved Government forms prepared by or for the creditor requesting payment for services, supplies, equipment, transportation, or any other transaction prescribed in FMM 9040, which obligates NASA and ultimately results in expenditure. For purposes of this chapter, the terms "voucher" and "invoice" will be used interchangeably to describe the document that request payment instead of the term "basic voucher." Procedures covering payment for travel are contained in the Federal Travel Regulation and FMM 9700. Procedures covering payment for payroll are contained in FMM 9620. The principles of effective cash management, as prescribed herein and in FMM 9050, will be incorporated into Center procedures utilized in the invoice examination and payment process.
- b. The statutory authorities governing the administration of all public accounts are contained in 31 USC 3301, ET. seq.
- c. Reference material applicable to this chapter includes NASA administrative regulations, issuances by Governmental regulatory agencies, contracts with other Government agencies and decisions of the Comptroller General of the United States. The authorities, principles, terms and conditions contained in each publication may not be specifically referred to in this chapter; however, all will be fully and accurately applied to expenditure transactions. Consultation will be made with legal counsel when necessary.



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### 9631-2 **DESCRIPTION OF THE INVOICE SYSTEM**

- a. Payment is accomplished in NASA by use of an invoice system. The invoice system includes procedures and documents necessary to pay NASA liabilities. Prior to making payments, the responsibility for the liability shall be established by obtaining an original invoice or statement of the debt payable under applicable laws and regulations. The invoice must be supported by a properly executed purchase order, contract or other form of procurement document and, when appropriate, by documents evidencing receipt, inspection and acceptance. A careful examination shall be made of all vouchers and invoices prior to certification for payment.
- b. The primary characteristics of the invoice system are:
  - (1) documentation of all recognized liabilities,
  - (2) documentation of the receipt of goods or services ordered as specified in the invoice, and
  - (3) execution of payments on the basis of proper documents evidencing that all necessary authorities and all necessary determinations have been made.
- c. Documents used in the invoice system are: (1) procurement documents, such as a contract or purchase order, (2) an invoice (either a vendor's invoice or approved voucher form prepared by or for the creditor) representing the amount claimed, (3) evidence of receipt and acceptance of goods or services ordered and (4) the summary scheduling document that identifies the amounts to be paid.
  - (1) The following documents are commonly used:
    - (a) Procurement documents (see FMM 9040).
    - (b) **Vendor's Invoice.** The conventional trade invoice with supporting documents, such as the purchase order, requisition, receiving report, inspection report and other pertinent addenda. The vendor's invoice is also referred to as a voucher, used to support the payment.
    - (c) **Order for Supplies or Services - Optional Form 347, prescribed by GSA.** This multiple-purpose form is used as a purchase order and as a receiving report.
    - (d) **Material Inspection and Receiving Report - DD Form 250.** This form is used as evidence of receipt of goods.
    - (e) **Public Voucher for Purchases and Services Other Than Personal - SF 1034.** This form is used as a document to support disbursements for purchases and services other than personal.
    - (f) **Public Voucher for Refunds - SF 1047 and SF 1049.** These forms are used to authorize withdrawals from NASA deposit accounts for payments in accordance with the purpose for which the deposit was made and to process refunds due remitters.



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- (g) **Voucher and Schedule of Withdrawals and Credits - SF 1081.** This form is used by one Federal agency as a claim against another.
- (h) **Public Voucher for Transportation Charges - SF 1113.** This form is submitted by carriers for passenger and freight transportation furnished NASA on an U.S. Government Transportation Request or Government Bill of Lading.

### **9631-3 BASIC PROCUREMENT DOCUMENT PROCEDURES**

- a. **GENERAL.** A contract, purchase order or requisition serves as documentation of NASA's legal obligation to make payments.
- b. **FURNISHING PROCUREMENT DOCUMENTS TO ACCOUNTING OFFICES.** Promptly upon completion of the award of contracts or the issuance of purchase orders, contracting officers will prepare and forward to the appropriate Center financial management office the originals or signed copies of all procurement documents, (contracts, letter contracts, purchase orders, grants) as specified in Federal Acquisition Regulation (FAR) 4.201 and NASA FAR Supplement (NFS) 18-4.202
- c. **SUPPLEMENTS RENEWALS, ETC.** When subsequent modifications are made by contracting officers who affect the price, quantity, quality (including change orders), delivery time, contract specifications, or conditions or renewal of the contract for a further period, the Center financial management office will be furnished necessary documentation for inclusion in the contract file.

In cases where payment of the contractor's invoice is dependent upon technical progress attained under a contract, payment will be withheld until a statement concerning such progress is received from the contracting officer or technical representative, as appropriate.

- d. **REVIEW OF PROCUREMENT DOCUMENTS.** Contracts should be reviewed when received in the Center financial management office to assure compliance with legal requirements referenced in paragraph 9631-1. This review reduces the necessity for a detailed examination when invoices are presented for payment. A review must also be accomplished; however, during the invoice examination process to the extent required to assure that payments authorized conform to the provisions of the procurement document.
- e. **EXCESS COSTS DUE TO DEFAULT OF A CONTRACT.** When contract default is involved, all invoices covering payments to a replacement contract must be cross-referenced to the defaulted contract.
- f. **CONTRACT PAYMENT RECORDS.** Financial management offices will maintain individual contract payment records in such detail that the financial status of each contract can be readily determined and reported to the contracting officer to assist in determination of whether payment of a given invoice should be approved. Individual payment records for contracts (purchase orders or other procurement documents as applicable) should, as a minimum, provide the following information:



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Contract number  
Date of contract  
Anticipated completion date  
Total cost per contract  
Cost billed to date (include current invoice)  
Percent of contract billed  
Total fee per contract  
Total fee billed to date  
Billing period covered  
Total contractual reimbursement less fee  
Total fee paid to date  
Exceptions taken on NASA Form 456  
Withholding  
Fee  
New Technology  
Number of last invoice paid

### **9631-4 PREPARATION AND SUBMISSION OF INVOICES**

- a. **GENERAL.** The preparation and submission of the invoice is the responsibility of the vendor or claimant. NASA employees may request vendors to submit invoices and supporting documents to ensure timely payment and closing of open accounts. This action is taken only when there is no question of the Government's liability or dispute regarding the facts in a particular case. (See FMM 9641.)

Invoices for supplies or services are usually submitted directly to the financial management office for processing. The Defense Contract Audit Agency (DCAA) is commonly delegated authority to provisionally approve vouchers on NASA's cost-type contracts. Contractors approved by the DCAA to have adequate billing system internal controls, however, are authorized to submit interim vouchers (contract financing requests and fee vouchers) directly to NASA paying offices. Such authorization does not extend to the first and final voucher of a contract.

In cases in which the contract requires the contractor to send invoices to DCAA, the DCAA office or representative specified in the contract would be considered the employee designated to first receive invoices.

#### **b. PAYMENT REQUEST DOCUMENTS UTILIZED**

- (1) **Carrier Invoices.** Carrier bills for transportation and related services, such as loading or storage, will be presented on a properly certified SF 1113.



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(2) **Vendor Invoices.** Except as noted above for carrier invoices, the form of the invoice used by a vendor is not material. The requirements of a proper invoice are enumerated in subparagraph d below. Vendors, including utility companies, are not required to certify invoices submitted. The elimination of the requirement for execution of the payee's certification from invoices submitted for payment does not dispense with the requirement for the certification of specific facts required by certain contracts.

Vendors are responsible for complying with all statutory requirements applicable to transactions with NASA. The liabilities and penalties for asserting false, fictitious or fraudulent claims against the United States are set forth in 18 USC 287.

c. **PERIODIC INVOICES.** Arrangements with vendors may be made for payments based on periodic or monthly invoices provided the articles covered, unit cost, and total cost are identified either on the bill or by reference to the contract or procurement document. Supporting documentation must be readily available for use by NASA, GAO auditors, and audit representatives of DCAA or other agencies to which the responsibility for NASA contract audit has been delegated.

d. **REQUIREMENTS OF A PROPER INVOICE.** A proper invoice must include the:

- (1) name of the payee (vendor) and date of the invoice;
- (2) government contract number, or other authorization for delivery of goods or services;
- (3) description, price and quantity of goods and services actually delivered or rendered;
- (4) invoice (vendor) number, account number and any other identifying number agreed to by contract;
- (5) shipping and payment terms (unless mutually agreed that this information is only required in the contract);
- (6) Taxpayer Identification Number (TIN) unless procedures provide otherwise;
- (7) name, title, and telephone number of vendor contact;
- (8) banking information necessary for NASA to make electronic funds transfer payment to the payee's financial institution or agent, unless procedures provide otherwise, or except in situations where EFT requirement is waived under 31 CFR 208.4; and
- (9) other substantiating documentation or information as required by the contract.

A request for a progress payment under a construction contract may not be approved for payment unless it includes:

- (a) Substantiation of the amount(s) requested; and
- (b) Certification by the prime vendor, to the best of the vendor's knowledge and belief, that:



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- 1 The amounts requested are only for performance in accordance with the specifications, terms, and conditions of the contract;
  - 2 Payments to subcontractors and suppliers have been made from previous payments received under the contract, and timely payments will be made from the proceeds of the payment covered by the certification, in accordance with their subcontract agreements and the requirements of Chapter 39, Title 31, USC; and
  - 3 The application does not include any amounts, which the prime contractor intends to withhold or retain from a subcontractor or supplier in accordance with the terms and conditions of their subcontract.
- e. **NASA-VENDOR AGREEMENTS.** Invoices are not required when services of a recurring nature are performed under NASA-vendor agreements providing for payments in a definite amount and at a fixed periodic interval. In agreements, which permit payments of this type, appropriate internal controls will be instituted to ensure that the amounts paid are correct, and that appropriate steps have been taken to prevent duplicate payments.
- f. **PAYMENT OF AWARD FEES.** No invoice is required. Payment of award fees will be based upon a unilateral modification by the contracting officer that will recognize the fee awarded.
- g. **ACCEPTANCE OF ORIGINAL INVOICE OR COPIES.** While original invoices are preferred, payments may be made based upon any media which produces tangible recordings of information in lieu of "written" or "original" paper document equivalents should be used to expedite the payment process rather than delaying the process by requiring "original" paper documents. Center's should ensure adequate Internal controls are in place to ensure the integrity of the data and to prevent payment duplication.
- h. **ALTERATION OF INVOICES.** NASA employees will not alter the payee's name and address, or the quantity or unit price of supplies or services stated on invoices submitted. There may be variances discovered between the amount claimed by the payee and the proper amount determined by the responsible NASA employee to be payable during the examination of payment documents. If these variances are underclaims of a small amount and the documents show that the payee intends to make a claim for the full amount due, an upward adjustment not to exceed \$100 may be made in making the payment. Evidence that the payee intends to claim the full amount shall be filed with the payment documents and may be a documented telephone call, receipt of a facsimile request for full payment, or other similar support. Proper internal controls shall be in place to provide assurance that fraud or abuse does not occur. These administrative adjustments may be made without amendment of the claim by the payee when it is clear on the face of the payment documents that the adjustment is appropriate. For example, the documentation submitted for payment by the payee shows obvious errors in computations or extensions.





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Downward adjustments of payments based on corrections of the claim may be made in any amount. Such authorized alterations will be made in pen and ink by lining out the erroneous figure and entering the correct figure immediately after the crossed out figure. The NASA employee making the correction will initial all copies of the document on which the correction has been made.

- i. **INCOMPLETE INVOICES.** NASA personnel may only correct deficiencies, which will not result in the violation of any statutory or regulatory provisions relating to altering or supplying data, which the billing party is responsible or liable to furnish. The aid and assistance which NASA may render vendors and claimants in the presentation of a claim against the United States, other than in the discharge of proper official duties, is materially limited by 18 USC 205 (30 Comp. Gen. 266). Subparagraph h. above discusses the alterations of invoices.

The office originating the transaction will assist in remedying deficiencies in invoices which may be corrected from the records maintained by the originating office or result from the failure of a vendor to comply with or complete a requirement initiated by the originating office. Deficiencies, which are not within the responsibilities of the originating office concerned with the transaction, will be corrected by personnel of the financial management office. If the deficiencies require action by the payee, financial management office personnel will initiate the necessary correspondence to obtain a proper invoice.

### **9631-5 DOCUMENTATION OF RECEIPT AND ACCEPTANCE**

Before being paid, an invoice must be supported by documentation evidencing that the supplies, materials or services have been received and accepted. Documentation of receipt and acceptance can be in the form of: DD Form 250 Material Inspection and Receiving Report, the receiving copy of a purchase order, locally devised receiving forms or any other document containing an administrative certification. Except as otherwise prescribed in NASA instructions, the paper on which the administrative certificate of receipt is executed is not material. Documentation of receipt and acceptance may also be accomplished electronically. When a receiving report is not appropriate, an administrative certificate may be executed on the payee's voucher. Administrative certifications are discussed in detail in paragraph 9631-6.

### **9631-6 ADMINISTRATIVE APPROVALS**

- a. Administrative approvals are written statements by civil service employees attesting to the facts of an individual transaction from personal knowledge. The completion of an administrative approval by an employee signifies that the approval was executed only upon proper inspection establishing that the exact quantity and quality of supplies, materials or services were received and accepted on behalf of the Government. An administrative approval is required for each payment and will be attached to the fiscal copy of payment documentation retained in financial management offices to provide evidence of receipt acceptance. Administrative approval may also be accomplished electronically. Administrative approvals should include:



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- (1) the date of actual receipt of the goods and services at the Center central receiving point or at the location specified in the ordering document unless additional acceptance requirements exist; and
  - (2) the date of acceptance and signature of the NASA official duly authorized to accept the goods and services on behalf of the Government.
- b. A receiving report may serve as an administrative approval and, in addition to the items identified above, must include the:
- (1) contract or other procurement document authorization number;
  - (2) product or service description;
  - (3) quantities received, if applicable; and
  - (4) signature, printed name, title, phone number and mailing address of the receiving official.
- c. Approvals, as prescribed below, or words to that effect, will be used for supplies and services. Approvals will also be used in connection with contractors' vouchers approved by auditors of DCAA when such authority has been provided by a duly authorized NASA Contracting Officer.

“The articles listed in the 'Quantity Received' columns above have been received and accepted except as noted under 'Report of Rejections'.”

Date Received \_\_\_\_\_  
 Date Accepted \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_  
 Title \_\_\_\_\_

- d. When quantities delivered and accepted differ from those ordered and the acceptance of such excess or lesser quantities is otherwise proper under the contract, the approval will be supplemented with a statement indicating that the quantities delivered are accepted as completing the order.
- e. An administrative approval on SF 1113, Public Voucher for Transportation Charges, will be completed by the Center transportation officer or similar official cognizant of the facts contained in the supporting documentation. The responsibilities associated with this administrative approval include the determination that: (1) the underlying documents are correct; (2) the services received were as ordered; (3) the services were necessary to the conduct of official business and (4) the actual charges for the services rendered have been compared with the estimated charges for the services ordered and, if otherwise correct, are proper for payment.

The provisions of this subparagraph neither authorize nor contemplate a rate audit by the transportation officer. The above administrative approval does not relieve the certifying officer from verifying the accuracy of the extensions and footings of each SF 1113 received.



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### FMM 9632 EXAMINATION OF INVOICES FOR PAYMENT

#### **9632-1 GENERAL**

This section outlines the principles and procedures to be utilized for examination of invoices. The examination requirements for specific types of invoices are discussed in FMM 9633. All invoices will be examined before payment except when a system covering the statistical sampling of invoices \$2,500 or less has been authorized (see FMM 9631).

#### **9632-2 EXAMINATION OF INVOICES**

The Deputy Chief Financial Officer, Finance (DCFO (F)) is responsible for the examination of all expenditure and collection invoices (see I TFM 4-2000, 5 CFR 1315, Prompt Payment (formerly OMB Circular A-125), and GAO Policy and Procedures Manual, Chapter 6). Each invoice will be reviewed as soon as practicable after receipt to determine whether it is a proper invoice as described in 3 CFR 1315.9(b). When the invoice is determined to be improper, it shall be returned to the vendor as soon as practicable, but no later than 7 days after receipt. All defects must be identified, reasons why the invoice is not proper must be specified and a request for a new invoice must be made.

- a. The examination made prior to payment will ensure that:
  - (1) the expenditure or collection is authorized by law or regulation and is in accordance with the terms of the applicable agreement;
  - (2) the procurement document was issued before the delivery of the articles or the furnishing of services, confirms a verbal authority for the delivery or rendering of such articles or services, or constitutes a retroactive approval of the transaction. In the latter case, the authority for such retroactive authorization will be furnished;
  - (3) the procurement document was issued by an authorized employee acting under a valid delegation of authority. The signature of the designee must be on record in the financial management office of the Center either in the form of Center memorandums or official NASA publications. Verbal orders must be promptly confirmed in writing. Written confirmations will indicate the date of the verbal order;
  - (4) the required administrative approvals (administrative certification on a receiving report or invoice as applicable) are executed by an employee designated as a proper administrative approving official who is aware of the facts needed to determine the quantity and quality of the articles or services delivered or rendered and accepted. Administrative certifications are discussed in detail in FMM 9631 (see also I TFM 2040.10);



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- (5) the quantities, prices and amounts are correct and in agreement with the contract or agreement;
  - (6) the proper documents are enclosed to verify the payment amount;
  - (7) the appropriation or fund cited is available to process the proposed payment. Items not properly chargeable to the appropriation cited will be deleted from the invoice. Rules regarding the determination of the appropriation to be charged are contained in FMM 9040 and FMM 9100;
  - (8) invoices received involving an alleged mistake in bid will be held until the matter has been satisfactorily resolved. Evidence of an administrative determination will be obtained from the contracting officer prior to completing the processing of the invoice for payment;
  - (9) all applicable deductions were made and credited to the proper account in the correct amount. Only cost effective discounts are taken. Overstatements in the amount claimed and any known indebtedness of the payee to the United States will be adjusted before the amount payable is determined.
  - (10) A Taxpayer Identification Number (TIN), which refers to the 9 digit Employer Identifying Number or Social Security Number, is provided for each vendor indicated on the payment invoice unless it has already been obtained and is readily available; and
  - (11) the vendor's banking information is provided unless it has already been obtained and is readily available or the EFT requirement is waived under 31 CFR 208.4.
- b. The following additional functions are to be performed by the invoice examiner in the review of contract financing requests submitted by contractors for provisional payment:
- (1) determine that cumulative costs claimed do not exceed the amount of obligations established and reserved to cover the estimated costs of the contract and modifications;
  - (2) verify that funds have been or are being withheld in amounts sufficient to cover reserves for drawings, patents, or other similar items as specified in the contract;
  - (3) compare the cumulative fee claimed with contractual limitations on interim fee payments;
  - (4) determine that the invoice has been provisionally approved for payment by an agency representative that has been delegated such responsibility; and
  - (5) ensure that copies of paid requests are distributed to the following as applicable:  
Contracting Officer  
Contractor



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### **9632-3 MARKING INVOICES TO SHOW APPROVAL FOR CERTIFICATION**

Invoices will be completed by the invoice examiner to indicate the:

- a. amount verified correct for payment,
- b. appropriation or fund symbol and any other accounting classification data which may be required for proper identification,
- c. legend "Paid",
- d. schedule number, and
- e. date and initials of the invoice examiner.

Most standard invoices have space provided for such information. Where no space is provided, such information will be recorded legibly on the face of the invoice.

### **9632-4 LOST INVOICES**

When the vendor states that an invoice has been submitted and payment has not been received, a duplicate copy of the original invoice must be obtained from the vendor. The invoice and invoice schedule will be processed through regular channels provided that the duplicate invoice includes a full explanation or statement of all facts surrounding the loss or destruction of the original invoice; and a statement that steps have been taken to prevent duplicate payments. The documents may also be conspicuously marked "Second Original" to prevent duplicate payment.

### **9632-5 DEDUCTIONS FROM INVOICES**

- a. **COLLECTION OF DEBTS OF VENDORS.** Public law 104-134, the Debt Collection Improvement Act (DCIA) of 1996 authorized the Department of Treasury to collect delinquent debts via administrative offset. The DCIA requires debts to be transferred to Treasury if they are more than 180 days delinquent. Through the Treasury Offset Program, the taxpayer identification number on each payment transaction is compared to the treasury delinquent debt database. When a match occurs and all other requirements for offset have been met, the payment will be offset to satisfy the delinquent debt in whole or in part. Once a debt is transferred to Treasury, no further collection activities should occur at the agency level. Debts that are less than 180 days delinquent and have not been transferred to Treasury should be satisfied via administrative offset against incoming invoices at the agency level. Any amounts not offset shall be paid to the payee. The payee must be notified in writing by the disbursing official before offsetting a payment. The disbursing official conducting the offset will notify the payee of the occurrence of the offset to satisfy, in whole or in part, a delinquent debt owed the agency. The notice shall inform the payee of the type and amount of the payment that was offset and a contact point within the agency that will handle concerns regarding the offset.



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The indebtedness record will be adjusted to show the amount collected by offset, clearly identified by the schedule number, date and amount. The following procedures will be observed in scheduling debt collection by offset.

- (1) When the amount of the indebtedness is less than the amount otherwise due the payee and the amount of the debt is a proper credit to the same appropriation or fund that is chargeable with the expenditure, the invoice will be approved in the net amount. The invoice will be scheduled with all other disbursement vouchers on the SF 1166 ECS.
- (2) When the amount of the payee's indebtedness equals or exceeds the amount otherwise due and the proceeds of the collection by offset are for credit to the same appropriation or fund chargeable with the expenditure, the SF 1166 will be prepared separately from all other vouchers. It is processed as a "No Check Voucher" in accordance with 4 TFM 2045 and 2055. "No Check Vouchers" will not be submitted to RFCs for processing. These transactions should be documented on Optional Form 1017G, "Journal Voucher" or other similar form.
- (3) When the amount of the payee's indebtedness is less than the amount otherwise due and the collection is for deposit to an appropriation or fund different from that chargeable with the expenditure, the SF 1166 ECS, "Payee-Address-Identification" and "Amount" blocks should show the vendor's name, and other identification as appropriate, and the net amount for which the check will be drawn. The appropriation or fund symbol to be credited should be shown in the "Amount" block. The extra copy of the form prepared will be clearly stamped or otherwise identified as "Invoice Deduction - D.O. copy."
- (4) When amounts due from the Government are properly assigned in accordance with FMM 9632-7, any amounts determined to be due from the assignor may not be collected by set-off procedures described above.

b. **DISCOUNTS.** Policy regarding cash discounts is contained in FMM 9050, 5CFR 1315.7 and 1 TFM 6-8040.40. Discounts will be taken if economically justified, but only after acceptance has occurred, when the discount terms applied in the conversion formula below result in an effective annual interest rate equal to, or greater than, the Current Value of Funds (CVF) to the Department of the Treasury.

The conversion formula and example, to convert vendor sales discount terms to an Effective Annual Rate (EAR) which is then used as a comparison against the Current Value of Funds Rate (CVFR) to the Treasury, is as follows:

### Conversion Formula

$$\frac{\text{Discount \%}}{100\% \text{ minus Discount \%}} \times \frac{\text{Days in Year}}{\text{Number of Days in Payment Period}} - \frac{\text{Number of Days Left in Discount Period}}{\text{Number of Days Left in Discount Period}} = \text{Effective Annual Discount Rate}$$



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### Example for Application of Conversion Formula

Current Value of Funds Rate: 9%  
 Discount Terms: 2%/10: net 30  
 Invoice Date: April 15  
 Receipt Date: April 21 (6 days elapsed time)

$$\frac{.02}{1.00 - .02} \times \frac{360}{30 - (10-6)} = .28$$

Based on this example, the effective annual discount rate exceeds the Current Value of Funds Rate, and payment should be made according to the discount terms.

- (1) **Determination of Discount Period.** Determination of the discount period will be made as follows:
  - (a) When the invoice relates to a written agreement, the express conditions of the agreement will govern.
  - (b) When the invoice relates to an open market purchase order and quotes a prompt payment discount, the period for taking the discount is calculated from the date placed on the proper invoice by the vendor. If the invoice is not dated, the discount period will begin on the date it is actually received and date stamped or otherwise annotated by the designated office.
- (2) **Loss of Discount.** Each financial management office must maintain a memorandum record of discounts offered and not taken. Loss of discounts in substantial amounts, whether individual or in the aggregate, should be adequately explained and the facts reviewed. The loss of discounts due to overt acts or negligence by a NASA employee will be referred to the Deputy Chief Financial Officer, Finance (DCFO (F)) for consideration of appropriate action to be taken. Center practices with respect to discounts available and taken will be summarized and reported in the Annual Report of Payment Activities (see FMM 9385).
- (3) **Trade Discounts.** Trade discounts are reductions in prices offered; the time of payment has no bearing upon the Government's entitlement thereto.



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### **9632-6 CALCULATION OF INTEREST PENALTIES**

Policies detailing the conditions requiring the payment of interest penalties are contained in FMM 9050, FAR Part 32.907, 5 CFR 1315 and the Interim Final Rule for 5 CFR 1315.

Whenever a proper invoice, subject to Prompt Payment provisions, (or periodic payment where no invoice is required), except for contract financing payments, is paid after the due date, interest penalties shall be paid in accordance with 5 CFR 1315. Interest penalties will be paid for interim payments under cost-reimbursement service contracts awarded on or after December 15, 2000 that are paid more than 30 days after a proper invoice has been received from the vendor (see the Interim Rule). Interim payments under cost-reimbursement service contracts are treated as invoice payments.

### **9632-7 ASSIGNMENT OF AMOUNTS DUE**

- a. **AUTHORITY.** Contractors are permitted to assign moneys due from the Government under a contract for payments aggregating \$1,000 or more if the contract does not prohibit such assignment (see the Assignment of Claims Act of 1940, as amended, 31 USC 3727; 41 USC 15; FAR Part 32.802; and FAR Part 52.232). The assignee may be a bank, trust company, Federal-lending agency, or other recognized financing institution. Unless otherwise permitted by the contract, the assignment (1) must cover all amounts payable and not already paid, (2) shall not be made to more than one party, and (3) shall not be subject to further assignment, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing the contract.
- b. **DOCUMENTS REQUIRED.** In the event of an assignment of claims, the assignee will file written notice of the assignment together with a true copy of the instrument of assignment with:
  - (1) the contracting officer,
  - (2) the sureties upon the bonds, if any, in connection with such contract, and
  - (3) the DCFO (F) designated in the contract to make payment.

Each party will acknowledge receipt by returning to the assignee three copies of the notice of assignment. The assignee will be instructed to forward two copies of the acknowledged notices from each of the parties to the contractor. The contractor will enclose a copy of the notice with the first invoice submitted for payment.

- c. **CONTRACTOR'S RECOGNITION OF ASSIGNMENT REQUIRED.** When there is a valid assignment of money payable under a contract, it is not necessary to obtain a specific claim from the assignee. The invoice, in support of a payment to the assignee, should clearly indicate that the contractor recognizes the assignment, validity, and the right of the assignee to receive payment. The form or means of indicating such recognition is not material.





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### d. PAYMENTS

- (1) Payments made to an assignee shall include, as a minimum, the name of the contractor and the contract number. The payee must be indicated as, for example, First National Bank, as Assignee of Jones, Miller and Company, 3rd and Erie Streets, Huntsville, Alabama.
- (2) When requesting vendor financial institution information for Treasury electronic payment systems, Centers will review all contracts to determine if payments have been assigned. If the contract has been effectively assigned, Centers should request financial institution information pertaining to the assignee, not the contractor/vendor.

e. **PAYMENT TO CONTRACTOR - AFTER ASSIGNMENT.** Payment of moneys due under a contract that has been assigned may not be made to the contractor unless the contract is supported by a properly executed release of assignment instrument.

f. **NOTICE OF RELEASE OF ASSIGNMENT.** When moneys remain payable under the contract and the assignment is released to the contractor, the contractor should file, with the same parties with whom the assignee was required to file, written notice of such release together with a true copy of the instrument of release assignment (22 Comp. Gen. 520). The instrument of release of assignment will be filed with the contract file maintained in the Center Financial Management Office.

g. **CONTRACTS UNDER WHICH PAYMENT CANNOT BE ASSIGNED.** Amounts due or to become due under indefinite quantity contracts cannot be assigned, because such contracts do not specifically obligate the Government to order services or supplies for which payment will aggregate \$1,000 or more. Therefore, contracting officers, DCFO (F)s, and others will not recognize assignments of moneys due or to become due under indefinite-quantity or "source of supply" contracts.



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### FMM 9633 INVOICES REQUIRING SPECIFIC EXAMINATION PROCEDURES

#### **9633-1 GENERAL**

This section lists types of invoices used for disbursements and collections that must contain additional information in order to be complete and in proper form for certification for payment or approved for collection. Special requirements are necessary for specific types of disbursements because of the nature of the disbursements and the provisions of specific laws and regulations.

#### **9633-2 ADVANCE AND PROGRESS PAYMENT INVOICES**

- a. **GENERAL.** Normally, the payment received must not exceed the value of services or articles already received (31 USC 3324). However, advance and progress payments are authorized by 10 USC 2307. Policies and procedures regarding advance and progress payments are contained in FAR 32.4 and 32.5 and NFS Subpart 1832.4 and 1832.5. These types of payments are considered contract financing under 5 CFR 1315, therefore they are not subject to Prompt Payment regulations and interest penalties are not required.
- b. **TYPES OF PURCHASES AUTHORIZED FOR ADVANCE PAYMENTS.** Invoices for the following types of services and articles may be paid in advance.
  - (1) **Periodicals.** Subscriptions to newspapers, magazines, periodicals and other publications (31 USC 3324).
  - (2) **Post Office Box Rental.** Advance payment of post office box rental is authorized on an annual basis (25 Comp. Gen. 834). The original invoice will be supported by Post Office Department Form NOT 32-B, P O Box Fee Due. Advance payments for post office box rentals may not exceed one fiscal year.
  - (3) **Training of Employees Under The Government Employees Training Act (5 USC 4101 et. seq.).** Advance payment for tuition for the training of employees is authorized under 5 USC 4109. On invoices for advance payments under this Act, the authority will be cited in the administrative certification.
  - (4) **Attendance at Meetings.** Payment of registration fees for attendance at meetings is authorized under 5 USC 4110. When registration fees include the cost of meals for employees in travel status, the provisions of NASA Federal Travel Regulation Supplement (NFTRS) 301-74.25 apply.



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- c. **CONTRACTOR'S PROGRESS PAYMENT INVOICE.** The contractor's request for each progress payment will be submitted on SF 1443, Contractor Request for Progress Payment. The request must comply with form instructions and contract terms, include any additional information reasonably requested by the contracting office, and contain sufficient data to support the request for payment. It will show cumulative costs incurred from inception of the contract through the period covered by the invoice, the amount of previous progress payments, and the amount of additional progress payment requested.
- d. **ANNOTATION ON INVOICES FOR ADVANCE OR PROGRESS PAYMENTS.** Invoices for advance or progress payments should be conspicuously marked "ADVANCE PAYMENT" or "PROGRESS PAYMENT," as appropriate. For example, if subsequent advance or progress payments are made under the same contract, the second invoice should be plainly marked "2nd Advance Payment" or "2nd Progress Payment"; the third invoice marked "3rd Advance Payment" or "3rd Progress Payment."

### **9633-3 METERED SERVICES**

- a. **GENERAL.** The invoice must state the serial number of each meter through which billed service was furnished and the last and previous reading of each meter. Authorized change in rates will be applicable to services rendered from the effective date of change stated in the legally established published rate schedule.
- b. **METER FAILURE.** Where a meter fails to properly register the service during any billed period, the amount due the contractor will be determined in accordance with contract conditions. In the absence of a contract clause specifically covering meter failure, the amount of utilities consumed during that period may be estimated by taking the average daily consumption shown by meter readings during a period when conditions for consumption were substantially the same. Payment on that basis is authorized as an implied provision of the contract, in accordance with 4 Comp. Gen. 617 (A-7129).

### **9633-4 PRINTING AND BINDING**

- a. **GENERAL.** Policies and responsibilities for the production and procurement of NASA printing, duplicating, blank bookwork, and binding are contained in NPD 1490.1\_\_. Title 44 USC 501 provides applicable authority. Generally, all procurement for printing must be through the Government Printing Office. For specific exceptions, such as contract field printing, refer to NPD 1490.1\_\_.
- b. **COMMERCIAL PROCUREMENT.** Invoices covering contracts for commercial procurement of printing must be supported by a waiver from the Joint Committee on Printing (JCP) or by the following supplemental certificate over the signature of the employee authorized to procure the contract:



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"I hereby certify as responsible officer that the contract field printing covered by this invoice was procured in accordance with the applicable Government Printing and Binding Regulations of the Joint Committee on Printing."

### **9633-5 SALE OR EXCHANGE OF PERSONAL PROPERTY**

- a. **GENERAL.** All transactions involving the acquisition of new personal property where similar old property is concurrently exchanged or sold are subject to the provision of 10 USC 2304 as to the necessity or non-necessity for advertising. In accordance with 40 USC 481(c), all such transactions, without regard to amount, must be covered by a written administrative determination that the property purchased will be similar to the property sold or exchanged.
- b. **INFORMATION REQUIRED ON INVOICES**
  - (1) Invoices involving Exchange of Similar Personal Property will be supported with the following information:
    - (a) A written administrative determination.
    - (b) The description, quality, quantity, unit price and the gross cost of the new property acquired.
    - (c) The description, quality, quantity, unit price and total amount allowed for the property exchanged.
    - (d) The net amount payable.
    - (e) A statement explaining the similarity of the property exchanged and the property acquired when the similarity is not self-evident.
  - (2) Invoices Involving Sale of Similar Personal Property will be supported with the following information:
    - (a) A written administrative determination.
    - (b) A statement explaining the similarity of the property sold and the property acquired where the similarity is not self-evident.
    - (c) A copy of SF 1114, Voucher for Acquisition of Personal Property Related to Sale of Similar Personal Property, or other appropriate documents covering the sale of similar property.

The SF 1114 copy furnished will be removed from the invoice, annotated to show the voucher schedule number, payee's name and amount, and forwarded to the accounting activity. The accounting activity uses this information to facilitate the transfer of the proceeds of sale held in the deposit account to the appropriation charged with cost of the acquired property. The invoice will be paid in the gross amount.



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- c. **DISCOUNT.** A discount offered for prompt payment on invoices involving exchange of automobiles will be computed on the entire purchase price, including the trade-in allowance for the old vehicles, and not on the basis of the price less trade-in (18 Comp. Gen. 61).

### **9633-6 REIMBURSEMENT TO DESIGNATED NOTARIES PUBLIC**

- a. **GENERAL.** Employees designated to serve in the capacity of a notary public in connection with official duties may be reimbursed the actual expenses incurred in obtaining the required bonds, seals and other necessary expenses required to obtain the commission.
- b. **REIMBURSEMENT INVOICE.** The Notaries Public Expense Act of 1955 (5 USC 5945) will be cited on the invoice as the authority for payment. The invoice for reimbursement of fees paid will contain a statement by the designated official that he or she serves in the capacity of a notary public in connection with official duties.

### **9633-7 PAYMENTS FOR NEWSPAPER ADVERTISING**

- a. **GENERAL.** In accordance with 44 USC 3702 and 5 USC 302, the Administrator of NASA or an official delegated the authority must authorize the publication of advertisements, notices or proposals. A copy of the written authority must be presented with the invoice for advertising or publication before payment.
- b. **ADVERTISING ORDER.** The SF 1449, Solicitation/ Contract/Order for Commercial Items, should be used to place orders for newspaper advertising unless the order is made using electronic commerce or the Governmentwide commercial purchase card. A properly delegated official must sign the advertising order (SF 1449).
- c. **BILLING/PAYMENT PROCEDURES.** A copy of the advertisement furnished by the publisher must accompany invoices for newspaper advertising. Upon receipt of an invoice supported by proof of advertising, the contracting officer shall attach a copy of the written authority and submit the invoice for payment according to contractual terms (FAR 5.503(c)&(d)).

### **9633-8 GOVERNMENTWIDE COMMERCIAL PURCHASE CARD**

All individual governmentwide commercial purchase card invoices under \$2,500 may be paid at anytime, but not later than 30 days after receipt of a proper invoice (5 CFR 1315.12). Matching documents is not required before payment. The payment due date for invoices in the amount of \$2,500 or more shall be determined in accordance with 5 CFR 1315.8. As provided in Treasury Financial Manual (TFM) 4-4535, payment shall be made to the contractor providing purchase card services in a timely manner even if all cardholder statements have not been received, i. e., prior verification that the goods or services have been received. The contractor will be promptly notified of any discrepancies through the process described in the contract. Disputed line items do not render the entire invoice an improper invoice for compliance with this regulation.



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### 9633-9 CLAIMS

- a. **ADJUDICATED BY THE GENERAL ACCOUNTING OFFICE (GAO).** Policy relating to claims that must be adjudicated by the Claims Division of GAO is contained in Title 4 of the GAO Manual and FMM 9640.
- b. **EMPLOYEE CLAIMS FOR DAMAGED OR LOST PROPERTY.** Payment of claims made by an employee against NASA for damage to, or loss of personal property incident to service with NASA will be paid by the Center concerned when such claim has been approved by the Chief Counsel. All approved claims will be submitted to the Center DCFO (F) on NASA Form 1220, Voucher for Payment of Employee's Personal Property Claim, for scheduling in accordance with prescribed procedures.
- c. **TORT CLAIMS.** Documents required before payment is made to settle claims for money damages against the United States include:
  - (1) A statement providing the amount claimed, circumstances and elements of the claim, and the amount of settlement.
  - (2) The written approval by the Administrator or designee.
  - (3) The certification by the authorized certifying officer.
  - (4) The acceptance of the settlement by the claimant.
  - (5) The written approval of the Attorney General or designee if the settlement exceeds \$25,000.

All documentation supporting settlement of a claim will be retained by the agency and made available to GAO for audit purposes (7 GAO 21.10).

- d. **CLAIMS FOR DAMAGES TO RENTAL VEHICLES.** When a claim is received from a rental car company, the designated traveler will initiate NF 1512, "Claim for Collision or Upset Damage to Rented Motor Vehicle."

If the car was rented from a rental car company covered under the U.S. Car Rental Agreement, dated February 26, 1996, managed by Headquarters, Military Traffic Management Command, and the renter was on official travel, the renter will complete Section II of NF 1512 and contact their NASA legal counsel for resolution of the claim.

If the traveler did not rent from a rental car company covered under the Agreement, the traveler will:

- send page one, Section I of NF 1512 to the rental company for their completion,
- complete Section II of NF 1512 after the traveler receives the completed Section I of NF 1512 from the rental car company, then
- send the completed NF 1512 to DCFO (F) for approval and certification (see Section III of NF 1512)



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If NF 1512 is not certified, it will be sent to NASA legal counsel for a determination. When NF 1512 is certified it will be scheduled for payment.

### **9633-10 FEDERAL EXCISE TAXES**

Agencies are generally required to pay Federal excise taxes, except for communication services, rental of business machines, and for transportation services.

- a. **RESPONSIBILITY FOR COLLECTION AND REMITTANCE.** Unofficial telephone messages or services furnished through official communication facilities are subject to Federal Tax if the same message or service would be subject to such tax if procured directly from the telephone company or through private facilities. When such unofficial services are furnished through official facilities, NASA, as the vendor, is responsible for the prompt collection and remittance of it to the District Director, Internal Revenue Service.
- b. **REMITTANCE OF COLLECTION TO THE INTERNAL REVENUE SERVICE.** All Federal excise taxes collected will be posted to suspense account 80X6875 pending disposition to the IRS. Centers will use FEDTAX II to pay Federal withholding taxes and to file Form 941, Employer's Quarterly Federal Tax Return. FEDTAX II may be accessed through the World Wide Web or through a Virtual Private Network (VPN) using a local dial-up telephone number. FEDTAX II creates a debit voucher for each Center by Agency Location Code/Employer Identification Number having reported Federal tax payments for a given day. A deposit ticket, summarizing the total payments made for a given day is created for the IRS. The debit voucher and deposit ticket information is reported to Treasury through CASH-Link, which result in an accounting entry into the central accounting system of the United States.
- c. **SOURCE OF FORMS.** FEDTAX II produces a Form 941 filing based on payments made throughout the quarter, for Center's final review and approval. Using a Personal Identification Number (PIN) code specifically issued by Internal Revenue, the agency will "sign" the return on-line with the PIN and transmit the Form 941 to the FEDTAX II system. FEDTAX II creates the electronic version of Form 941 using ANSI x12 EDI standards, and transmits it to the IRS. IRS will verify the Center's PIN and accept or decline the return.

### **9633-11 STATE AND LOCAL TAXES**

Generally, purchases made by the Federal Government are exempt from state and local taxation. Ordinarily no payment may be made for state or local taxes except as provided in this subparagraph.

- a. **TAXES OF \$10 OR LESS.** When the total state or local tax on any one tax bill or purchase is \$10 or less, the tax should be paid unless the item can be obtained tax free without issuing SF 1094, U.S. Tax Exemption Form.



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- b. **REIMBURSEMENT OF TAXES BY EMPLOYEES.** The needs of employees for incidental supplies and services necessary to carry out assigned duties should generally be handled through established NASA procurement channels. When NASA employees utilize personal funds in making purchases that are subject to subsequent reimbursement by NASA, the amount of state and local tax may be reimbursed. When receipts are otherwise required, receipts showing evidence of payment of the tax will be obtained (36 Comp. Gen. 681(B-167150)).
- c. **UNITED STATES GOVERNMENT TAX EXEMPTION FORM.** Standard Form 1094, U.S. Tax Exemption Form will be used where exemptions, adjustments or refunds of state or local sales taxes are allowable on commodities or services purchased for the exclusive use of NASA. A separate form will be issued for each kind of tax (state or local) for which exemption is claimed.
  - (1) The SF 1094 must be fully completed by filling in the blocks provided for the agency name, quantity delivered, amount of tax, whether excluded or included, identification card number, and, where applicable, the license plate or official number of the vehicle for which fuel or oil is delivered. When multiple deliveries are made under a contract, a separate form may be issued for each invoice covering partial deliveries made or the form may be furnished upon completion of the contract. In some cases, such as the purchase of motor fuel and lubricating oil, if considered more practical, the DCFO (F) may issue the forms when the invoices are paid. Cross-reference will be made between invoices and the related exemption forms. The itemized statement of the tax in a supplier's invoice may be accepted as the correct amount of the tax in the absence of any facts to the contrary (15 Comp. Gen. 988 (A-69303)).
  - (2) SF 1094 will not be used for:
    - (a) purchases subject only to Federal taxes,
    - (b) purchases on which the tax is \$10 or less,
    - (c) purchases for the operation or maintenance of personally-owned motor vehicles for which mileage has been authorized,
    - (d) purchases for subsistence, if per diem has been authorized, or
    - (e) purchases by employees in official travel status, which were for official use, but were not paid for at time of purchase.
  - (3) Invoices will be submitted to the appropriate State and local taxing authority for refund of taxes paid. The amount collected may be deposited for credit to the appropriations from which the invoices were paid or to the miscellaneous receipt account 803220, Miscellaneous Recoveries and Refunds, Not Otherwise Classified, if the appropriation account cannot be readily identified.





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### 9633-12 **TRANSPORTATION PAYMENTS**

- a. **GENERAL.** In accordance with Public Law 105-264, Section 3, which amended 31 USC 3726, a prepayment audit is required before transportation invoices are paid. Each Center is responsible for the examination of invoices for passenger and freight transportation services to determine the validity and legality of Transportation Service Provider (TSP) invoices (Federal Management Regulation (FMR) Sec. 102-118) (<http://pub.fss.gsa.gov/transtrav/transAudits.cfm>.)

When invoices have completed the prepayment audit program and are deemed proper for payment, they are sent to the Center payment office to be scheduled for payment. At the end of each month, each Center must submit all paid transportation documents to GSA for postpayment audit. The U. S. Government Freight Transportation Handbook and the U. S. Passenger Transportation Handbook contain instructions for billing procedures and preparation of SF 1113, and instructions for payment and submission of transportation invoices for audit. These documents are available on the web at: <http://pub.fss.gsa.gov/transtrav/transAudits.cfm>.

Any passenger transportation tickets or coupons not used by the traveler, ticket refund requests, and notices of fare adjustments, etc. must be promptly submitted to the Center's contracted Travel Management Services Provider payment. Instructions for the submission of unused tickets may be found in the U. S. Government Passenger Transportation Handbook, Chapter 5, Refunds.

Refunds voluntarily made by a TSP to cover excess amounts billed and paid for freight or express services must be reported to the GSA Audit Division so that no Notice of Overcharge or financial offset occurs unless other arrangements are made (e.g. charge card payments). See FMR Sec. 102-118.500 for additional information.

- b. **PREPAYMENT AUDIT PROGRAM.** Each Center must either establish a prepayment audit program or use the services of a prepayment audit contractor under GSA multiple award schedule covering audit and financial management services (see also FMR Sec.102-118.285). If a Center changes its prepayment audit program, the plan for the revised prepayment audit program must be sent to the NASA CFO for approval. After approval by the CFO, the program is submitted to GSA's Audit Division for final approval (see FMR Sec. 102-118.345).
- c. **NASA UNIQUE ELEMENTS OF THE PREPAYMENT AUDIT PROGRAM.** FMR Section 102-118.330 lists all the elements for an acceptable program; however, NASA's implementation includes the following:
- (1) The minimum dollar threshold for transportation invoices is \$750.
  - (2) The numbering system used by Centers incorporates:
    - (a) the first initial for the agency (N),
    - (b) a two digit symbol for the Center designation (AR, DF, GS and etc.),



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- (c) a two digit numerical code for the fiscal year designation (00, 01, 02, and etc.), and
  - (d) the last five digits for the sequential numbering of the invoices (00,001 through 99,999) to prevent duplication.
- d. REPORT OF LOSS , DAMAGE, SHORTAGE OR OTHER DISCREPANCY**
- (1) If the amount of loss or damage is \$50 or less, the Center will absorb the cost (see 41 CFR 101-40.702-3(a)).
  - (2) If the amount of loss or damage is more than \$50 on a single bill of lading, the receiving office must prepare an SF 361, Transportation Discrepancy Report and forward it to the TSP (see Sec. 101-40.702-3(b)).
  - (3) When a TSP receives a claim (SF 361) from a Center, the TSP is required to pay, decline or make a firm compromise settlement in writing to the Center within 120 days after receipt of the claim (41 CFR 101-40.711-1(a)). If the TSP fails to dispose of the loss or damage claim within a reasonable period of time, the claim should be collected by setoff (deducted) from a subsequent invoice. However, if the TSP is involved in a bankruptcy, insolvency, or reorganization proceeding, setoff may be used immediately to effect collection when it is in the Government's interest to do so (41 CFR 101-40.711.1(b)).
  - (4) When the loss or damage has occurred on an ocean or international air shipment, the payment office will deduct the amount of the loss or damage from the carrier invoice. If that is not possible, the amount will be taken from an unrelated account (41 CFR 101-40.711-2(a)).
- e. CONTRACTOR-PREPAID TRANSPORTATION CHARGES.** Shipments of supplies may be made by common carriers on commercial bills of lading when authorized by the contracting officer (FAR 47.303-17). The TSP pays the transportation charges and is thereby entitled to reimbursement by NASA. The TSP's invoice for reimbursement should be supported with a copy of the carrier's receipted freight invoice or other evidence of receipt except as follows:
- (1) When the prepaid transportation charge is \$100 or less.
  - (2) When the transportation charge is \$250 or less per transaction (i.e., purchase invoice, or aggregate billing or payment for multiple purchases), if the contractor cannot reasonably provide a receipted freight invoice and NASA has determined that the charges are reasonable. Determination of reasonableness may be based on:
    - (a) past experience (authenticated transportation charges for similar shipments);
    - (b) rate checks;
    - (c) copies of previous freight invoices submitted by the contractor; or
    - (d) other information submitted by the contractor to substantiate the amount claimed.



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- (3) When the transportation charge is \$100 or less, if the contract specifies retention by the contractor of all records for at least 3 years after final payment under the contract and the contractor agrees to furnish evidence of payment when requested by NASA.

Shipments and invoices shall 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.

### f. **TRANSPORTATION INVOICES FROM THE DEPARTMENT OF DEFENSE (DOD)**

#### (1) **Authorization of Shipments**

- (a) Transportation services to be procured through or from the DOD may be authorized by the issuance of a Transportation Control Movement Document (TCMD), DD Form 1384-1, or Special Assignment Airlift Mission (SAAM).
- (b) Center transportation officers or others authorizing shipment by the Department of Defense, either by commercial carriers or by DOD components, are responsible for obtaining the appropriate fund certification from the DCFO (F) of the paying Center prior to authorizing shipment. The transportation office is also responsible for assuring that obligating documents (priced copies of shipping documents) are furnished promptly to the Center DCFO (F) upon commencement of the shipment.

#### (2) **Identification of Center To Be Billed**

- (a) Commercial and military carriers are instructed to send invoices directly to Centers, except in the case of consolidated (NASA and DOD) shipments. For consolidated shipments, transportation charges will be paid in full by the DOD component and subsequently reimbursed by the appropriate Center upon receipt of a properly documented Voucher for Transfer between Appropriations and/or Funds, SF 1080.
- (b) NASA Defense Purchase Requests involving separate transportation charges will also indicate the name and address of the Center and the appropriation chargeable for the cost of the transportation. In addition, the Transportation Account Code (TAC) of the applicable Center will be shown when transportation is to be performed by military carriers.
- (c) When transportation is to be performed by military carriers pursuant to a Transportation Control Movement Document or Special Assignment Airlift Mission, the issuing Center will cite the appropriate Transportation Account Code on the request to facilitate proper identification of the Center.



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### (3) TRANSPORTATION ACCOUNT CODES

The following Transportation Account Codes (TAC) are for use on transportation movement documents involving shipments for NASA by military carriers:

<u>Center</u>	<u>NASA Transportation Account Code</u>
Headquarters NASA	HDFA
Ames Research Center	HDFB
Lewis Research Center	HDFC
Langley Research Center	HDFD
Dryden Flight Research Facility	HDFE
Goddard Space Flight Center	HDFN
Wallops Flight Facility	HDFG
Jet Propulsion Laboratory (contractor)	HDFH
Marshall Space Flight Center	HDFM
National Space Technology Laboratories	HDFJ
Johnson Space Center	HDFK
Kennedy Space Center	HDFL



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### FMM 9634 CERTIFYING OFFICERS

#### **9634-1 GENERAL**

- a. The term certifying officers refers to officials authorized to certify invoices for payment as opposed to officials delegated the responsibility to certify the availability of funds.
- b. Certifying officers are responsible for:
  - (1) the existence and correctness of facts which support the payment and are contained in the certificate or otherwise stated on the invoice or supporting papers;
  - (2) the legality of the proposed payment under the appropriation or fund involved and the correctness of the computations (officials designated as certifying officers for payments are not responsible for assuring the availability of funds);
  - (3) any illegal, improper or incorrect payment resulting from any false, inaccurate or misleading certificate made, as well as for any payment prohibited by law or which was not a legal obligation under the appropriation or fund involved. Certifying officers shall be held accountable for and required to make good to the United States the amount of such payments as prescribed in Treasury Financial Manual (TFM), Volume 1, Part 4, Chapter 1100; and
  - (4) compliance with internal controls established to safeguard and protect the interest of the Government.

Certifying officers are personally responsible for their certifications on invoices for payment. Certification of invoices is to be performed according to the judgment of certifying officers based upon the facts establishing the legality and propriety of the claim. Certifying officers will not be hampered in exercising independent judgment. Coercion or administrative pressure will not be used to obtain a certification. This does not prohibit discussing with certifying officers any facts or circumstances bearing on invoices with a view toward expediting settlement. Certifying officers shall not be arbitrary, capricious, preferential or dilatory when considering invoices presented for certification.

#### **9634-2 REFERENCES**

- a. The Legislative Branch Appropriations Act of 1996, Public Law 104-53, 109 Statute. 514, November 19, 1995;
- b. The General Accounting Act of 1996, Public Law 104-316, 110 Statute. 3826, October 19, 1996;
- c. 31 USC 1304; 3527-3529; 3702; 3726.



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### **9634-3** *LIABILITY OF CERTIFYING OFFICERS*

- a. A certifying officer may not escape the liability for losses resulting from an erroneous certification due to the inability to personally ascertain that the invoices were correctly stated or to rely upon the statements and computations of subordinates or others. A certifying officer relying on actions of another employee is held responsible for losses resulting from an erroneous certification unless it is shown that the true facts could not have been known in the reasonable exercise of care and diligence (20 Comp. Gen. 182 and 22 Comp. Gen. 578).
- b. Certifying officers will not be held liable for payments made pursuant to claims settlement certificates issued in the name of the Comptroller General.
- c. Certifying officers will not be held liable for payments made in accordance with settlement decisions issued by the Director, Financial Management Division, as provided under NPD 9630.3\_ and FMM 9634-4b.
- d. Certifying officers will not be held responsible for any overpayments on transportation requests or on Government bills of lading due to use of improper rates, classification, or on commercial documentation used by ocean carriers, or failure to deduct the correct amount under land-grant laws or equalization, or other agreements, (31 USC 3528(c)). Verification of rates or classifications pursuant to tariffs or equalization and other agreements is unnecessary.

### **9634-4** *OTHER FACTS REGARDING CERTIFYING OFFICERS*

- a. **SELECTION AND DESIGNATION OF CERTIFYING OFFICERS.** The selection and designation of certifying officers will be made in accordance with the provisions of FMM 9650.
- b. **REVOCATION OR AMENDMENT OF AUTHORIZATIONS.** Designating officials are required to notify the Treasury Financial Center where designations have previously been forwarded whenever the authority of a certifying officer has been revoked.
- c. **CERTIFICATION.** When performing duties as a certifying officer, the title "Authorized Certifying Officer" shall be used. The date of certification and the certifying officer's name will be typed, stamped or printed below the space for the signature on vouchers, schedule of payments, and on official correspondence (1 TFM 4-2040). In automated systems, evidence that payments are accurate and legal must relate to the system rather than to individual transactions. Certifying officers should be provided with information showing that the system is functioning properly and can be relied on to produce payments that are accurate and legal. Reviews should be made at least annually by the certifying officer, with interim checks of major system changes.



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Electronic certification is legal, as long as it has adequate safeguards. The electronic symbol or signature must be unique to the certifying officer, capable of being verified, and under the sole control or custody of the certifying officer. The Department of the Treasury's Financial Management Service offers the Electronic Certification System (ECS) which satisfies the statutory requirements for voucher certification and payment.

- d. **REVOCATION OR AMENDMENT OF AUTHORIZATIONS OF FORMER CERTIFYING OFFICERS'.** Centers are responsible for maintaining a record of the last known address of all former employees that were certifying officers until the General Accounting Office (GAO) has audited and approved disbursements made or disallowance's have been satisfied by explanations, repayments or the granting of relief. Certifying officers should cooperate with the Center concerned by keeping the Deputy Chief Financial Officer, Finance (DCFO) (F) advised of a current address until final settlement of the accounts is rendered by GAO. The Comptroller General shall settle an account of an accountable official within 3 years after the date of receipt of the account.

### **9634-5 DOUBTFUL QUESTIONS OF LAW**

- a. The Comptroller General retains the authority under 31 USC 3529 to issue decisions to disbursing or certifying officers and heads of agencies on matters involving the expenditure of appropriated funds not specifically involving claims settlement functions.

Prior to certifying an invoice, certifying officers have the right to apply for and obtain a decision on any question of law regarding the claims settlement function from the responsible government agency (see FMM appendix 9634-5A) as provided in 31 USC 3529. To prevent unnecessary submissions to the responsible government agency, certifying officers will, prior to requesting a decision, assure that the assistance within NASA has been fully utilized for resolving these questions.

- b. Any doubtful questions of law involving payments of \$100.00 or less, which cannot be resolved locally to the satisfaction of the certifying officer, may be referred to the Director, Financial Management Division, NASA Headquarters, Code BF, for review and advice. Certifying officers may rely on written advice from the Director, Financial Management Division, as to propriety of the payment. Such payments will be considered conclusive by the agency in settlement of the accounts involved (NPD 9630.3).

Referrals to the Director, Financial Management Division, should be in the form of a letter and whenever possible be accompanied by a copy of the uncertified invoice or claim, and other pertinent supporting documents. The letter, constituting an administrative report, should contain the following:

- (1) A statement of the facts out of which the claim arose.
- (2) A statement of the doubt or other reason for forwarding the claim.
- (3) A recommendation as to the disposition believed to be proper.



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Upon reaching a decision, the Director, Financial Management Division, will provide a written response to the certifying officer, who shall enclose a copy of the advice with the original invoice.

- c. Any doubtful questions of law involving payments of more than \$100.00 which cannot be resolved locally may be referred to the responsible government agency (see FMM appendix 9634-5A) via the Director, Financial Management Division (see FMM 9641).

### **9634-6 INCORRECT PAYMENT**

- a. **DISCOVERY OF INCORRECT PAYMENT.** When notified by the Office of Inspector General (OIG) or other audit organization that a question has been raised regarding a potential incorrect payment, the agency will obtain supporting data, documents, and information necessary to determine the propriety of charges to or payments from public funds. Prompt attention will be given by the OIG or the audit activity to resolve the area in question and make a final determination if the payment in question was made incorrectly. If the final determination concludes that an incorrect payment was not made, no further action will be required. If the final determination results in an exception to the payment, the following action will be required. The exception is forwarded to the Certifying Officer (CO) and the location where the records are kept (if different than the CO's location), unless otherwise requested by an appropriate NASA official. If the responsible CO is no longer available, the current CO will receive the exception. The CO can reply to the exception and submit any related correspondence, along with the original invoice to the OIG or the requesting audit activity that: (1) provides evidence of repayment by the payee or CO, or (2) request a reconsideration of the exception. With the evidence of payment, the OIG or the auditing activity will enter the date that the exception was removed on the invoice and supporting documentation and return the documents to the CO. Under the reconsideration request, the OIG or auditing activity will expeditiously furnish an explanation that clearly explains why or why not the exception has been reversed. When an incorrect payment is found, an account receivable should be established (See FMM 9050).
- b. **COLLECTION OF INCORRECT PAYMENT**
  - (1) **Assistance of the Department of Treasury.** Treasury assistance should be requested whenever administrative efforts to effect the collection of incorrect payment have been exhausted. Requests will be submitted to the Treasury and will not affect liability of certifying officers as fixed under existing law. Certifying officers will remain liable and be required to make good the amount of the incorrect payment in the event the effort to collect from the payee is unsuccessful.





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(2) **Withholding of Salary to Employees.** Under the authority of 5 USC 5513, certifying officers are permitted to withhold salary with respect to any disallowance or charge raised for any payment made to persons in the executive branch of the Government. Since the application of this law is mandatory, deductions will be made from the employee's current salary unless the employee agrees to voluntary repayment.

### c. RELIEF OF CERTIFYING OFFICERS

(1) **Administrative Action for Relief.** Relief of certifying officers for amounts up to \$3,000 may be granted by administrative action. Upon discovery of an incorrect payment, the certifying officer, after every practical effort has been made to recover, will advise the DCFO (F) of the situation. The DCFO (F) will examine the facts and, if possible, fix responsibility for the incorrect payment and take steps to recover the amount. If a determination is made that the responsibility for the incorrect payment (see FMM 9640) should not be placed on any employee or employees, including the certifying officer, action should be taken to seek relief for the certifying officer under existing law.

(2) **Authority of the Comptroller General to Grant Relief.** Relief of certifying officers for amounts over \$3,000 may be granted by the General Accounting Office (GAO). After usual efforts have failed to obtain the removal of a suspension or exception taken by GAO to a certification made by a certifying officer, and refund from the payee cannot be effected, the agency may, in accordance with 31 USC 3528 appeal to the GAO, requesting relief by presenting the facts in the case for consideration. Pursuant to the provisions of 31 USC 3528, the Comptroller General may relieve certifying officers or employees of the liability for any payment otherwise proper, upon deciding that:

- (a) Certification was based on official records and the certifying official did not know, and by reasonable diligence and inquiry could not have discovered the correct information;
- (b) The obligation was incurred in good faith;
- (c) No law specifically prohibited the payment; and
- (d) The United States has received value for such payment.

### 9634-7 REPORTING REPAYMENTS

All correspondence received by certifying officers regarding repayments of amounts determined as a result of an audit to have been incorrectly paid, will be reported back to the appropriate OIG or audit organization.

- a. **Single Repayment.** If the indebtedness is liquidated promptly by a single repayment, the repayment should be reported to the responsible audit organization on a copy of the invoice or by letter, email, or data fax.



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- b. **Installment Repayments.** When repayments are to be made in installments, the specific arrangements with the debtor will be reported to the audit organization. The DCFO (F) will report installment repayments to the responsible audit organization on a copy of the invoice or by letter, email or data fax, as of June 30 and December 31, within 15 days of those dates. Other dates for reporting repayments are permissible if agreed to by the responsible audit organization.

### **9634-8 REPORTING IRREGULARITIES AFFECTING ACCOUNTABLE OFFICERS**

- a. **REQUIREMENTS.** Centers are required to prepare a report on each irregularity affecting the Center's certifying officers and collection agents. The DCFO (F) shall report each irregularity to the Director, Financial Management Division, NASA Headquarters, as soon as possible after discovery. The Director, Financial Management Division, will submit a copy of unresolved reports on irregularities that are over 2 years old to GAO.

- b. **NATURE OF IRREGULARITIES.** Reports must be prepared on:

- (1) shortages due to physical loss of public funds;
- (2) illegal, improper or incorrect payments, including disbursements resulting from fraud, forgery, alterations of vouchers and other improper practices;
- (3) improper accounting for receipts; and
- (4) any other irregularity which involves accountability to the United States.

Irregularities, as defined above, include all items adversely affecting the accounts of accountable officers, including disclosures by agency examinations of disbursement and collection transactions and subsequent internal review.

- c. **CONTENTS OF REPORTS.** A written report of each irregularity will provide:

- (1) a detailed statement of the facts including the type of irregularity, amount and names and positions of individuals involved;
- (2) pertinent supporting documents, such as pay records, contracts and vouchers;
- (3) a description of how the irregularity occurred, and the effect on the certifying officer's or collection agent's account;
- (4) a description of procedural deficiencies which permitted the irregularity and corrective action taken or to be taken;
- (5) information as to any recoupment made or being considered.



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### **9634-5A RESPONSIBLE GOVERNMENT AGENCIES AND THEIR DELEGATED FUNCTIONS**

1. **Department of Treasury.** Claims for judgements rendered against the United States (Judgment Fund).
2. **Department of Defense**
  - a. Claims by transportation carriers incident to shipment at government expense;
  - b. Claims for the proceeds from the sale of motor vehicles and items of household goods and personal property of members of the Uniformed Services, NOAA Commissioned Officers, and the Commission Corps of the Public Health Services, reported dead, injured, ill or absent for a period of more than 29 days in a missing status; and
  - c. Other claims related to members of uniformed services;
3. **General Services Administration**
  - a. Claims for the expenses incurred by federal civilian employees for official travel and transportation, and relocation expenses incident to transfers;
  - b. Requests by carriers for review of GSA's actions taken pursuant to audits of carriers' bills; and
  - c. Claims for the proceeds of the sale of motor vehicles and items of household goods and personal effects of federal civilian employees reported dead, injured, ill, or absent for a period of more than 29 days in a missing status.
4. **Office of Personnel Management**
  - a. Claims involving federal civilian employees' compensation and leave, and settlement of deceased employees' accounts;
  - b. Claims for proceeds of canceled checks for veterans' benefits payable to deceased beneficiaries.
5. **Department of State.** Claims for money or personal property of certain United States citizens who die outside the United States.



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### FMM 9635 PAYMENT OF INVOICES

#### **9635-1 GENERAL**

This section contains general descriptions of the predominant payment methods for invoices. The Department of the Treasury provides disbursements services, i.e., the electronic transfer of funds (EFT) through the Automated Clearing House (ACH) and Treasury Fedline Payment System (FEDLINE) methods, to effect payments for NASA. Treasury procedures for scheduling and making payments are discussed in I TFM 4-2000. Questions regarding Treasury's processes or procedures for scheduling and making payments should be directed to the cognizant Treasury Regional Financial Center (RFC).

#### **9635-2 PAYMENT METHODS**

In accordance with Section 31001(x) of the Debt Collection Improvement Act of 1996, all payments are to be made via electronic funds transfer (EFT) except where the recipient has provided written certification that the recipient does not have an account with a financial institution or an authorized payment agent.

##### **a. ELECTRONIC FUNDS TRANSFER (EFT) SYSTEMS**

- (1) **General.** The EFT payment systems used by Treasury include the Automated Clearing House (ACH) System and the Treasury Fedline Payment System (FEDLINE). FEDLINE is the link through which FEDWIRE payments are made.
- (2) **Treasury Fedline Payment System (FEDLINE) (1 TFM 4-2500).** This electronic payment system is a computer-to-computer link between Treasury and the Federal Reserve Bank of New York (FRBNY). It provides automated receipt and processing of funds transfers and computer-assisted generation of funds transfers between Treasury, Federal Reserve Banks (FRB's) and other banks using the Federal Reserve Communications System (FRCS).

Centers desiring to use the FEDLINE must obtain advance written approval for each particular class or type or payment activity. A request for approval is also required at any time that the average payment volume of an approved payment activity is expected to increase substantially. A letter requesting approval to use FEDLINE and the questionnaire contained in 1 TFM 4-2500, Appendix No. 1 must be submitted to:

Assistant Commissioner  
Federal Finance  
Department of the Treasury  
Treasury Annex No. 1  
Washington, DC 20226



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Payment schedules submitted by a Center that has not received Treasury approval would not be processed by the FEDLINE payment facility.

Centers intending to use FEDLINE to disburse \$50 million or more in one transaction must give the Department of the Treasury a minimum of two days advance notification (1 TFM 5-4500). Disbursements of over \$500 million require a minimum of five business days advance notification. Included in the notification will be the name of the Center, the intended date of issuance, the identification of the intended recipient and the amount to be disbursed. This information should be transmitted by wire to: Funds Control Branch, Accounting Group, Financial Management Service, Department of the Treasury, Treasury Annex No. 1, Attn: GAO Building Room 1010, Washington, DC 20226. (1 TFM 4-2550.20f.)

- (3) **Automated ClearingHouse (ACH) System Payments.** This electronic payment system is an electronic fund transfer technique used by Treasury to make payments. In this system, Treasury passes payment data through the Federal Reserve System to receiving financial institutions for posting the payee's account.

The prescribed Direct Deposit/Electronic Funds Transfer (DD/EFT) format for payment tapes and other guidance are contained in the "Federal Agency Procedures for Vendor and Miscellaneous Payments (CCD) by Direct Deposit Electronic Funds Transfer (DD/EFT)" manual.

ACH payments will not be listed on the same payment schedule as non-ACH payments. Multiple invoices, payable to one vendor, may not be consolidated into one payment when using the ACH system unless the Corporate Trade Exchange (CTX) method is used. The CTX format allows for one payment to cover multiple invoices since full remittance information can be transmitted with the payment.

### b. PAYMENTS TO GOVERNMENT DEPARTMENTS AND AGENCIES

- (1) **General.** Payments to other agencies shall be made by using SF 1081 "Voucher and Schedule of Withdrawals and Credits", the On-Line Payment and Collection (OPAC) System, in which the adjustment between appropriation accounts is made electronically, or other acceptable electronic methods. The SF 1081 and OPAC are prescribed for use as a combined billing and payment document for interagency payment transactions by agencies within the Treasury disbursing area (i.e., agencies that report on SF 224, "Statement of Transactions") to process expenditure withdrawals and credits between appropriation, fund and receipt accounts. The purpose of these procedures is:

- (a) to eliminate the use of checks; and
- (b) to concurrently effect charges to the paying/ordering agency and credits to the collecting/performing agency.



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- (2) **Standard Form 1081 (1 TFM 2-2500).** This form or other approved form is used between Government agencies. All pertinent information including itemization of amounts, purchase order number or other authority for charges must be shown on the billing form used. Letters of Agreement between agencies serve as an authorization for reimbursement. Letters of Agreement may take the form of a formal contract or exchanges of letters specifying the type of service, rate of compensation and other pertinent data.

The SF 1081 is initiated by the billing agency (agency to receive funds). The billing agency will complete sections identifying the name, ALC and mailing address of the accounting stations that will receive credit; the appropriation to be credited; and the name, ALC, and mailing address of the agency to be charged. Details or reasons for the voucher will be indicated or supported by documentation.

The SF 1081 will be completed by the customer agency (NASA) by entering the voucher number (customer office), appropriation to be charged, the accounting month in which the transaction will be reported and the amount, which must agree with the amount billed. The Center will verify the transaction as being proper for transfer to the billing agency and certify the SF 1081. Of the four part SF 1081, the quadruplicate copy will be retained as pending by the billing office; the Center will keep the original and duplicate copies and the triplicate copy (accomplished copy) must be returned to the billing office to be used in reconciliation. No copies will be sent to Treasury.

Centers must insure that the appropriation symbol indicated by the billing office to receive credit is correctly cited on the SF 224.

- (3) **On-line Payment and Collection (OPAC) System (1 TFM 6-4000).** The OPAC system allows simultaneous on-line billing and payment of intragovernmental transactions between two Government agencies. This electronic system is applicable only when both the billing and customer agencies report monthly receipt and disbursement activity on the SF 224 "Statement of Transactions." However, only the billing agency needs to be on the system. Centers (customer agencies) not on the OPAC system will receive OPAC bills in microfiche format instead of via telecommunications network.

Upon accomplishing the Center's request for supplies or services, the billing agency bills the Center for supplies or services by inputting the information directly into the system. Data entered is the Center's (customer) ALC, amount of the voucher, appropriation account to receive the transfer and a description of the voucher. Collection is accomplished simultaneously with billing by the billing agency.



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The Center will verify the accuracy of each voucher in the system and record the payments applicable to the Center's appropriation or fund symbol as of the payment date reflected in the system. Centers not on the system will verify this information upon receipt of vouchers on microfiche. At the end of each month, both the Center (customer agency) and the billing agency must include the NET TOTAL amount of all vouchers and adjustments for applicable ALC's on the SF 224 for the current payment month.