

**DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
FINANCE CENTER
5722 INTEGRITY DRIVE
MILLINGTON TENNESSEE 38054-5005**

CEFC-AO
SOP Number UFC- 02

Revised: 19 November 1999

**STANDING OPERATING PROCEDURE
ACCOUNTS RECEIVABLE
AND
PAYMENT OF GOVERNMENT ORDERS**

1. PURPOSE: This Standing Operating Procedure (SOP) defines the USACE Finance Center (UFC) billing procedures.

2. APPLICABILITY: The provisions of this SOP apply to both the UFC and activities supported by the UFC. Accountants at the UFC and the supported activities must interact regularly to understand the mission that results in accounts receivable and government order bills.

3. REFERENCES:

- a. ER 37-2-10, Accounting and Reporting - Civil Works Activities.
- b. DFAS-IN 37-1, Finance and Accounting Policy Implementation.
- c. CEFC-AO SOP Number UFC-04, Huntsville Training Billings, dated 26 Jan 1998.
- d. CEFC-AO SOP Number UFC-06, TFO/TBO/Interfund, dated 1 February 1998.
- e. CEFC-QR SOP Number UFC-09, FEMA Customer Order & Billing, dated 5 November 1998.
- f. CEFC-AO SOP Number UFC-10, Delinquent Accounts Receivable Follow-Up, dated 19 November 1999.
- g. CEFC-QQ Memorandum, dated 13 September 1999, Subject: New Time Frames for Clearing Intra-Corps Bills.
- h. CEFC-R Memorandum, dated 10 September 1999, Subject: Centralized Activities/Support Costs.

4. DEFINITIONS:

- a. Account Receivable - any outstanding indebtedness to the United States Government.
- b. Bill/billing instrument - term used interchangeably with Account Receivable.

- c. Customer order bills - as used within this SOP refers to Accounts Receivable.
- d. DA Form 1857, Statement of Accounts - form generated by Corps of Engineers Financial Management System (CEFMS) as the billing instrument used to public debtors.
- e. Debtor - a person or organization owing payment to the United States government.
- f. Government order bill - as used within this SOP refers to Accounts Payable.
- g. Command Indicator Code (CIC). Term used to identify a process in Corps of Engineers Financial Management System (CEFMS) that enables supported sites to segregate customer orders that require special handling. Printing, mailing, and affixing special documentation to bills generated from customer orders that contain CICs will be the responsibility of the supported activity.
- h. DA Form 4445-R (formally referred to as SF 1080), Voucher for Transfer Between Appropriation or Funds - forms used as billing instruments for government debt.
- i. Supported Activities - those Corps of Engineers Divisions, Districts, Laboratories, or Field Operating Activities whose Finance and Accounting Functions are performed by the UFC.
- j. TFO - transactions for others. Term used indicating collection or disbursement of funds processed for another agency or installation.
- k. OPAC - Online Payment and Collection. OPAC will be utilized as the billing and payment method for all intra-Corps transactions. OPAC will also be utilized with other agencies and/or installations as agreements are made and signed. CIC indicator will be OPAC to clearly identify these type agreements. Exclusions from the OPAC categorization will be those such as EPA, FEMA, or others requiring special billing procedures.

5. RESPONSIBILITIES:

a. USACE Finance Center. The Director, USACE Finance Center, through the Deputy Director Accounting Operations, is responsible for:

- (1) Generating (intra-Corps and intra-government) and mailing (intra-government) customer order billings monthly for supported activities.
- (2) Preparing and mailing travel settlement/advance billings.

(3) Printing and mailing Revenue Generating Agreement (RGA) bills for those supported activities that have fully implemented Real Estate Management Information System (REMIS) and have agreed that the UFC will perform the billing function for them.

(4) Recording and certifying government order bills.

(5) Providing feedback information related to any database problems encountered when corrective action appears to be the supported activity's responsibility.

(6) Performing monthly reconciliation of accounts receivable general and subsidiary ledgers.

(7) Managing the debt between UFC supported activities.

(8) Determining the waiver status for administrative fees, interest, and penalty charges for bills generated and collected by the UFC.

(9) Referring to CEFC-AO SOP Number UFC-04 for processing Huntsville training billings.

(10) Assigning a primary individual to each database to serve as point of contact (POC) for the accounts receivable and debt management program.

b. Supported Activity. Commanders of supported activities are responsible for:

(1) Establishing customer orders in CEFMS properly to reflect the billed activity's order or obligation number, complete accounting classification, mailing address, payment status, etc. Effective 1 November 1999, all Intra-Corps transactions will be processed via the preferred method of OPAC. Exclusions from the OPAC categorization will be those such as EPA, FEMA, or others requiring special consideration.

(2) Identifying orders that require special billing by the utilization in CEFMS of the Command Indicator Code (CIC).

(3) Utilizing the government order purchase request and commitment method for all work between other UFC supported activities regardless of whether the work is performed and billed as customer order bills or other billing processes such as centralized activities.

(4) Recording obligations for government orders.

(5) Performing monthly reconciliation of accounts receivable general and subsidiary ledgers.

- (6) Assigning one primary individual to serve as liaison to the supported site for the resolution of problems.
- (7) Taking corrective action for any database problems encountered by the UFC which impede the generation of bills and payment of government order bills.
- (8) Assisting in management of the debt between the UFC and the supported activities.
- (9) Notifying the UFC in writing of any additional billing requirements not specifically identified in this SOP.
- (10) Maintaining records of accounts receivable entered in CEFMS by the supported activity.
- (11) Determining the waiver status for administrative fees, interest, and penalty charges.
- (12) Determining estimated and actual uncollectible public debt.
- (13) Referring to CEFC-AO SOP Number UFC-04 for processing Huntsville training billings.

6. PROCEDURES:

a. USACE Finance Center will:

- (1) Generate the monthly intra-Government bills for supported activities on the first business day of each month. For the month of September, the UFC will generate bills on the first business day and again prior to closing the fiscal year (FY) on 30 September. Bills to non-UFC supported activities will be mailed directly to the billed office or debtor unless a CIC is assigned to the bill.
- (2) Suspend mailing of bills that contain a CIC. The CIC is used in CEFMS to alert the UFC that special billing procedures were agreed to between the customer and the supported activity. Bills that contain a CIC will be mailed by the supported activity, with the exception of those having an OPAC identifier. If the CIC is OPAC and it is an Intra-Corps bill, the bill will be processed without further coordination. Instructions for CICs are contained in CEFC-AO Memorandum, dated 8 December 1997, Subject: Updating/Creating CEFMS Work Item with Command Indicator Code.
- (3) Prepare and mail travel settlement/advance billings.
- (4) Print and mail RGA bills for those supported activities that have fully implemented REMIS and have agreed that the UFC will mail bills.

(5) Provide immediate feedback/requests to the specified points of contact at the supported activities that require corrective action on their part. Communication methods may include telephone calls, faxes and E-mail. Such items may include database errors, missing obligations, insufficient funds or accrual reversals.

(6) Record and certify government order bills.

(a) The UFC Accounts Receivable/Debt Management Branch will record all government order bills when the ordering activity and performing activity are supported by the UFC in the sequence as stated in 6b(7)(a), (b), and (c). Bills that cannot be processed for payment due to lack of obligation or sufficient funding will be referred to the ordering and performing activities for resolution. As previously stated, these bills will be processed for payment through OPAC.

(b) The UFC Accounts Receivable/Debt Management Branch will record all government order bills from non-UFC supported activities that are mailed directly to the UFC if a proper obligation is reflected thereon.

(c) The UFC Accounts Receivable/Debt Management will certify bills for payment intermittently throughout the month. Expenditures will be recorded in CEFMS when government order bills are certified. No bills will be certified by UFC Accounts Receivable/Debt Management Branch during the scheduled Disbursing Division closed period.

(7) Manage the debt between UFC and supported activities.

(a) Record, certify, disburse, and collect government order bills that do not contain a CIC within 45 days of the date of the bill.

(b) Record, certify, disburse, and collect government order bills that contain a CIC not equal to 99FEM that are in excess of 60 days old.

(c) Record, certify, disburse, and collect government order bills that contain 99FEM CIC that are in excess of 90 days old.

(d) Provide specific advice to the billing and performing UFC supported activities when obligations are not in place for making payment for government order bills.

(8) Record the entries in CEFMS that are required to write off administrative fees, interest, and penalty charges for pending receipts.

(9) Follow procedures in CEFC-AO SOP Number UFC-04 for processing Huntsville training bills.

(10) Cancel accruals that impede the payment of actual bills and advise the supported activity when the accrued amount exceeds the actual amount by more than \$5,000.00.

b. Supported Activities will:

(1) Prepare manual RGA bills where REMIS has not been fully implemented at the supported activity, record accounts receivable in CEFMS and mail to lessee. Accurate accounting for RGA bills which cross fiscal years will be accomplished by the supported activities. Procedures to follow are listed below in (a) and (b).

(a) In accordance with ER 37-2-10, paragraph 4-13I(2)(b) and (c), Civil Revenue Generating Agreements that cross fiscal years need two line items set up in REMIS; one for 96R5090 and one for suspense account 96F3875, if the amounts collected for future years exceed \$500.00. For those that do not exceed the \$500.00 in future years, the entire amount may be collected in current year 96R5090.

(b) The description field of the CEFMS Receiving Office Voucher (ROV) for the suspense portion should state "Transfer to 96R5090 in FYXXXX." This will ensure the UFC transfers the earned income of 96R5090 monies in the correct FY.

(2) Utilize the CEFMS government order purchase request and commitment method for orders between other UFC supported activities and other government agencies rather than the contractual purchase request method to enable the UFC to make prompt payment for within government bills.

(3) Retain documentation for all manual bills produced and mailed.

(4) Take prompt action necessary to address any problems encountered by the UFC, which require corrective measures by the supported activity.

(5) Monitor all customer order accounts that contain a CIC. Print bills, attach documentation, and affix proper signatures and mail to the customer. The UFC will not provide a printed copy of bills that have a CIC to the supported activity.

(6) Record the entries in CEFMS that are required to write off administrative fees, interest and penalty charges when the decision to waive has been made by the supported site.

(7) Record origination entries for all government order bills that contain a CIC in CEFMS before the bills become aged, with the exception of those having CIC of OPAC. The "aged" term is described as:

(a) 60 days old for all bills that contain a CIC, with the exclusion of 99FEM and OPAC.

(b) 90 days old for bills that contain a CIC of 99FEM.

(8) Follow procedures in CEFC-AO SOP Number UFC-04 for processing Huntsville training bills

(9) Record all necessary entries in CEFMS related to estimated and actual uncollectible public debt.

(10) Review open accounts receivable monthly. Refer all discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Branch (CEFC-AO-R).

FOR THE DIRECTOR:



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