

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

CEFC-AO
SOP Number UFC-16

21 April 2000

**STANDING OPERATING PROCEDURE
PROCESSING CUSTOMER ORDER REFUNDS**

1. PURPOSE: This Standing Operating Procedure (SOP) defines the USACE Finance Center (UFC) procedure for processing customer order refunds (credit billings).

2. APPLICABILITY: The provisions of this SOP apply to both the UFC and activities supported by the UFC. Accountants and accounting technicians at the UFC, billed activities, and supported activities must interact in order to process unbilled credits on customer orders in an efficient, timely manner.

3. REFERENCE: CEFC-AO SOP Number UFC-02, Accounts Receivable/Payment of Government Orders, dated 19 November 1999.

4. DEFINITIONS:

a. Customer Order Refund - a credit billing generated in CEFMS against a customer order that has been marked financially complete by the District thereby producing a check at the next month's billing cycle.

b. SF 1080 or DA Form 4445-R, Voucher for Transfer Between Appropriations or Funds - forms used as billing instruments for debt within government.

c. Supported Activities - those Corps of Engineers Division, Districts, Laboratories, or Field Operating Activities whose finance and accounting functions are performed by the UFC.

d. Ordering Activity - used herein to refer to the entity that placed a request for goods or services from a performing activity.

e. Performing Activity - used herein to refer to the entity that received a request for goods or services from an ordering activity.

5. RESPONSIBILITIES:

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

(1) Generating all customer order bills, including customer order refunds or credit bills.

(2) Collecting customer order refund checks to the appropriate supported activity or providing resulting checks to issuing activity for forwarding to overbilled entity.

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

(1) Ensuring accuracy in recording costs to customer orders to minimize the number and amount of customer order refunds.

(2) Ensuring that all customer orders requiring refund are financially complete and are marked accordingly in CEFMS.

(3) Reviewing and identifying customer order refunds.

(4) Performing a comprehensive joint unliquidated obligation (ULO) review that includes any unpaid bills with the ordering activity prior to initiating a customer order refund.

(5) Coordinating with and/or advising the ordering activity that a refund is forthcoming.

(6) Notifying the UFC, Accounts Receivable/Debt Management Branch, in writing (preferably via email) if an upcoming customer order credit bill requires special instruction for disposition of the resulting check.

(7) Eliminating requests to the UFC for credit bills when additional work is anticipated on which the prior month's credit can be offset or for which a customer order has not been marked financially complete in CEFMS.

(8) Printing/reviewing appropriation refund bills for their FOA (ERO) code regularly and making necessary decisions regarding the disposition of the refund.

(9) Receiving and forwarding customer order refund checks to non-UFC supported activities and providing guidance concerning the refund.

6. PROCEDURES:

a. USACE Finance Center shall process credit bills for customer orders that contain a financially complete indicator on the first workday of each month in conjunction with the standard monthly billing process.

(1) Disposition will be in accordance with written instructions provided by the performing supported activity. The written request will contain the FOA (ERO) code, customer order number, amount, and instructions for disposition of the resulting check.

(2) If no written instructions are provided and the resulting check is payable to a non-UFC supported activity and there are no unpaid bills on the customer order, the check will be mailed to the performing supported activity for forwarding to the recipient with supporting documentation.

(3) If no written request has been received from the performing activity and the resulting check is payable to a UFC supported activity, the Accounts Receivable/Debt Management Branch will make the decision for disposition. The decision will be limited to:

(a) applying to unpaid bills associated with the order, or

(b) refunding to the ordering activity as an appropriation refund.

b. Supported Activities shall:

(1) Ensure that all customer order refunds are financially complete at their time of issuance and take necessary measures to mark as such in CEFMS.

(2) Provide a statement that a comprehensive joint unliquidated obligation review on the order has been performed with the ordering agency and that no additional costs are anticipated on the customer order.

(3) Provide a statement that the ordering entity has been informed that the customer order refund is pending and that the refund will be applied to existing unliquidated bills or refunded to the ordering entity in the event that all bills are liquidated at that time.

(4) Develop local procedures to print and disseminate appropriation refund bills to project managers so that the refunds can be re-obligated as needed.

(5) Review credit unbilled work in progress and refer all discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Branch (CEFC-AO-R).

FOR THE DIRECTOR:



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