

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

CEFC-FR
SOP Number UFC-16

Revised: 26 April 2004

**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 and timely manner.

3. REFERENCES:

a. CEFC-F SOP Number UFC-02, Accounts Receivable/Payment of Government Orders, dated 19 April 2004.

b. CEFC-F SOP Number UFC-14, Intra-Governmental Payments and Collections (IPAC), dated 5 April 2002 (being revised).

c. CEFC-QR SOP Number UFC-09, Establishing FEMA Customer Orders & Preparing Reimbursable Billings, dated 6 February 2004.

4. DEFINITIONS:

a. Customer Order Refund - a credit billing generated in CEFMS against a customer order thereby producing a check or IPAC credit 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 Divisions, Districts, Laboratories, or Field Operating Activities whose finance and accounting functions are performed by the UFC.

d. Requesting Activity - used herein to refer to the entity (may be a non-supported UFC activity or other government agency) 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 a requesting activity.

5. RESPONSIBILITIES:

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

- (1) Generating all customer order bills, including customer order refunds or credit bills.
- (2) Collecting customer order refund checks or IPAC credits to the appropriate supported activity.
- (3) Coordinate all out-of-cycle generation of bills for supported activities with Disbursing Division. Out-of-cycle generation of bills causes problems with the disbursing process.

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 refunds that are financially complete are marked accordingly in CEFMS. Certain transactions in CEFMS may cause credits to work in process, which result in credit bills being generated, and do not require the customer order to be marked financially complete (IPAC credits).
- (3) Reviewing and identifying customer order refunds.
- (4) Performing a comprehensive joint unliquidated obligation (ULO) review that includes any unpaid bills with the requesting activity prior to initiating a customer order refund.
- (5) Coordinating with and/or advising the requesting activity that a refund is forthcoming.

(6) Request assistance from UFC, Accounts Receivable/Debt Management Division for out-of-cycle generation of credit bills.

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(7) Notifying the UFC, Accounts Receivable/Debt Management Division, in writing (preferably via email) if an upcoming customer order credit bill requires special instructions for disposition of the resulting refund.

(8) 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.

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

6. PROCEDURES:

a. The 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) If specific disposition is required, written instructions should be provided by the supported activity including FOA (EROC) code, customer order number and amount.

(2) When no written instructions are provided and the resulting check is payable to a requesting activity, it is the responsibility of the UFC POC to contact the performing activity to inform them of any unpaid bills on the customer order. Performing activities will then make the decision to:

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

(b) send customer order refund check to the requesting activity.

(3) IPAC credit bills will be transmitted from the performing activity database to the requesting activity database using the Government Billing Transaction process when performing activity and requesting activity are both Corps activities.

(4) Generate out-of-cycle credit bills when requested by performing activity to be applied to requesting activities customer order. Coordinate with Disbursing Division before generation of any out-of-cycle billing, whether it creates a treasury check or IPAC credit.

b. Supported Activities shall:

(1) Ensure that all customer order refunds that need to be marked financially complete are marked as such in CEFMS.

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(2) Request assistance from the UFC Accounts Receivable/Debt Management Division before generating any out-of-cycle billings.

(3) Coordinate with UFC Accounts Receivable/Debt Management Division POC when cost transfers or other transactions are processed that create negative amounts in the work in process and an out-of-cycle generation within the same month is necessary.

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

(5) Provide a statement that the requesting 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 requesting entity in the event that all bills are liquidated at that time.

(6) Re-obligate funds as needed when the responsible employee is automatically notified by email when an appropriation refund has been certified.

(7) Review credit unbilled work in progress and refer all discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Division (CEFC-FR).

FOR THE DIRECTOR:

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