

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

CEFC-FR
SOP Number UFC- 02

Revised: 19 April 2004

**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-F SOP Number UFC-04, Huntsville Training Bills, dated .
- d. CEFC-F SOP Number UFC-09, FEMA Customer Order & Billing, dated .
- e. CEFC-F SOP Number UFC-10, Delinquent Accounts Receivable Follow-Up, dated 6 February 2004.
- f. CEFC-F SOP Number UFC- 14, Intra-Governmental Payments and Collections (IPAC), dated .
- g. DOD Financial Management Regulation, Volume 4, Chapter 3.
- h. CERM-F Memorandum dated 15 January 2002, Subject: FY 02 Joint Reconciliation Program Goals for Military Appropriations.

4. DEFINITIONS:

- a. Account Receivable – any outstanding indebtedness to the United States Government.

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- 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 issued 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. IPAC – Intra-governmental Payment and Collection (previously referred to as OPAC). IPAC will be utilized as the billing and payment method for all intra-Corps transactions. IPAC will also be utilized with other intra-governmental agencies as Trading Partnership Agreements (TPA) are signed. Exclusions from the IPAC categorization will be those requiring special billing procedures.
- h. DA Form 4445-R (formally referred to as SF 1080), Voucher for Transfer Between Appropriations 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. 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.
- k. TFO – transactions for others. Term used indicating collection or disbursement of funds processed for another agency or installation.

5. RESPONSIBILITIES:

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

- (1) Generating (intra-Corps and intra-government) and mailing or IPAC (intra-government) customer order billings monthly for supported activities.

(2) Preparing and mailing travel settlement/advance billings.

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(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 problems encountered when corrective action appears to be the responsibility of the supported activity.

(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-F 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.

(11) Reconcile Statement of Differences monthly.

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 numbers, complete accounting classification, mailing address, and payment status. Intra-government agencies with a TPA and all intra-Corps billings will be processed via IPAC.

Exclusions from the IPAC categorization will be those requiring special consideration.

(2) Command Indicator Codes (CIC) will be used in CEFMS to identify orders that require special billing.

(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.

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(6) Assigning responsible individuals 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 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-F 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 (Corps to Corps (IPAC) and other government agency (IPAC, Non-IPAC, and TFO)). 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 processed via IPAC unless specific instructions have been given to process other than IPAC.

(2) Suspend mailing of bills that contain a Command Indicator Code (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.

(3) Prepare and mail travel settlement/advance billings.

(4) Print and mail RGA bills for those supported activities that have agreed that the UFC will mail bills.

(5) Provide immediate feed-back/requests to the specified POC at the supported activities that require corrective action on their part. Communication methods used may include telephone calls, faxes and email. Such items may include database errors, missing obligations, insufficient funds or accrual reversals.

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(6) Record all government order bills.

(a) The UFC Accounts Receivable/Debt Management Division will record all government order bills when the ordering activity and performing activity are supported by the UFC in the sequence as stated in (6)(b) and (7)(a). All Corps to Corps government order bills will be recorded using the auto disburse process (transmitted) within the first 2 workdays of the month, unless CEFMS prevents recording due to systems error, in which case bills will be manually recorded. Every effort should be made to transmit Corps to Corps bills using the auto disburse process. Bills that cannot be processed for payment due to lack of obligation, accrual reversal, insufficient funding, etc. will be referred to the ordering and performing activities for resolution. After resolution of problems, a 2nd attempt will be made using the auto disburse process. If it is necessary to manually record a Corps-to-Corps bill that will not transmit, please enter the error code # such as, 1205, 1231 in the "remarks" field along with any other relevant information that would be beneficial in the certification process.

(b) The UFC Accounts Receivable/Debt Management Division will manually record all government order bills from the ordering activity and performing activity that are mailed directly to the UFC if a proper obligation is reflected thereon. All incoming IPAC government order bills will be manually recorded. As previously stated, our preferred method of payment is IPAC.

(7) Certify all government order bills.

(a) The UFC Accounts Receivable/Debt Management Division will certify bills for payment intermittently throughout the month. Certification of all Corps to Corps bills should be completed using the bulk certification process by the 10th workday after generation of bills. All other bills will be certified manually throughout the month. Expenditures will be recorded in CEFMS when government order bills are certified. UFC Accounts Receivable/Debt Management Division will certify no bills during the scheduled Disbursing Division closed periods.

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

(a) Record, certify, disburse, and collect all government order bills within 45 days of the date of the bill.

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

(9) Record the entries in CEFMS that are required to write off administrative fees, interest, and penalty charges for pending receipts. Update (back load) information for all delinquent accounts receivable monthly.

(10) Follow procedures in CEFC-F SOP Number UFC-04 for processing Huntsville training billings.
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(11) Cancel accruals that impede the payment of actual bills.

b. Supported Activities will:

(1) Prepare RGA bills from REMIS to 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) & (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. For those that do not exceed the \$500 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 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, 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 origination entries for all government order bills that are 60 days old which contain a CIC in CEFMS.

(7) Follow procedures in CEFC-F SOP Number UFC-04 for processing Huntsville training billings.

(8) Review open accounts receivable monthly. Refer all discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Division (CEFC-FR).

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FOR THE DIRECTOR:

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