



**DEFENSE FINANCE AND ACCOUNTING SERVICE**  
**COLUMBUS**  
P.O. BOX 182317  
COLUMBUS, OHIO 43218-2317



July 23, 2004

Dear Transportation Provider:

This letter is to inform you of a processing change that will affect the way payments are made by the Defense Finance and Accounting Service (DFAS). Under the provisions of the Prompt Payment Act (PPA), invoices submitted for payment in the amount of \$2,500 or more, to include electronic invoices, are subject to cash management. That is, the PPA, and implementing regulations, require that for most contracts, payment will be made no earlier than 7 days before the due date. Due to a system limitation and to encourage electronic invoicing, the DFAS Transportation Office temporarily waived cash management.

Effective August 30, 2004, payment of all invoices, including those submitted electronically, will be subject to cash management. We encourage your continued support of initiatives such as Electronic Document Access, Electronic Data Interchange, Electronic Document Management, Web Invoicing, and Wide Area Workflow. These initiatives increase our efficiency while affording the internal controls necessary.

In the future, the PowerTrack initiative will allow for an abbreviated cash management period. Until then, DFAS will make payments in accordance with the laws and regulations requiring cash management. The implementing regulations discussed above can be found in the Code of Federal Regulations and in the Financial Management Regulation, Volume 10, Chapter 7, Paragraphs 070101 and 070102 at [http://www.dod.mil/comptroller/fmr/10/10\\_07](http://www.dod.mil/comptroller/fmr/10/10_07).

We truly value the professional and business relationship we have cultivated over the years. My staff looks forward to working with you through this change to our business practice. Questions may be addressed to the Transportation Customer Service Resource Center at 1-888-GBLS PAY (1-888-425-7729), option one.

/signed/

Sally A. Smith  
Director, Commercial Pay Services