



DEFENSE FINANCE AND ACCOUNTING SERVICE
INDIANAPOLIS CENTER
INDIANAPOLIS, IN 46249

DFAS-IN/FT

March 23, 1999

MEMORANDUM FOR ALL CARRIERS

SUBJECT: Submission of Corrected Billing Invoices

A review by this office disclosed that numerous carriers are submitting invoices annotated "Corrected Billing". This is an incorrect procedure which may result in erroneous payments. This memorandum is provided to clarify proper billing procedures.

The first initial invoice is processed within the Defense Transportation Payment System (DTRS) as an original. Any subsequent invoice will be processed as a supplemental. Once submitted as a valid claim, a "correction" invoice or an invoice which reflects a "net due" billed amount is an improper invoice and will be rejected for proper billing.

A supplemental invoice will reflect only the service and amount claimed by the carrier in addition to or as an increase of services/amounts billed on the previous original invoice. To illustrate, a carrier submits an invoice claiming \$1000 for line-haul service. A re-weigh of the shipment or change of the mileage charges results in a corrected line-haul charge in the amount of \$980, however the carrier failed to include a charge for an accessorial service in the amount of \$25. The correct procedure requires the submission of an invoice reflecting ONLY the omitted accessorial service code and the \$25.00 charge. Negative balance invoices must be submitted as outlined in paragraphs a and b below.

a. Paragraph 2.6 of both the Freight and the Personal Property Billing Instructions specifically prohibit mixing charges and credits on paper invoices. Invoices which result in "zero" or "negative balance" billed due must be submitted via a separate invoice reflecting the zero or negative amount and be accompanied by a remittance (payment check) in the amount of the negative balance. In the illustration above, the carrier would submit a manual (paper) invoice reflecting the overpayment for the line-haul of -\$20.00 and include a payment (check) for that amount.

b. EDI Invoices may be submitted with mixed charges and credits as specified within the EDI convention. This type EDI Invoice may not, however, result in a "zero" or "negative balance" billed amount. A zero or negative balance billed amount invoice must be billed manually (paper) in accordance with paragraph a above.

Your assistance in immediate implementation of these procedures is appreciated. My point of contact is Mr. Gene Alsabrook, Chief, Quality Assessment, at 317-510-7886.

Ronald L Cox

For Michael D. Kelly

Colonel, USA

Deputy Director for Transportation Payments