



DEPARTMENT OF THE NAVY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH, DEVELOPMENT AND ACQUISITION  
1000 NAVY PENTAGON  
WASHINGTON DC 20350-1000


FEB 23 2000

MEMORANDUM FOR PROGRAM EXECUTIVE OFFICERS  
DIRECT REPORTING PROGRAM MANAGERS  
COMMANDERS OF THE SYSTEMS COMMAND

Subj: PAYMENT OFFICE DESIGNATION ON PROCUREMENT DOCUMENTS

Encl: (1) DFAS memo dtd 10 February 2000  
(2) DFAS memo dtd 23 November 1999

Enclosure (1) is forwarded for your information. Please note that the Defense Finance and Accounting Service has provided clarification on its earlier memo dated 23 November 1999 (enclosure 2), which was forwarded to your attention by this office on 6 January 2000.

  
Paul P. Buonaccorsi  
Executive Director  
Acquisition and Business  
Management

Copy to:  
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Subj: PAYMENT OFFICE DESIGNATION ON PROCUREMENT DOCUMENTS

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DFAS-SD/DD



DEFENSE FINANCE AND ACCOUNTING SERVICE  
CLEVELAND CENTER *code D*  
1240 EAST NINTH STREET  
CLEVELAND, OH 44199-2055



FEB 10 2000

(DFAS-CL/D)

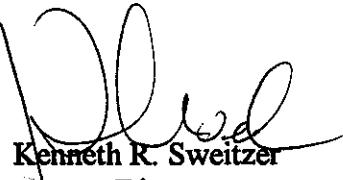
MEMORANDUM FOR DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,  
OFFICE OF THE ASSISTANT SECRETARY OF THE NAVY  
(RESEARCH DEVELOPMENT & ACQUISITION)

SUBJECT: Payment Office Designation on Procurement Documents

Thank you for your memorandum of January 6, 2000, advising the acquisition community of the web based tools available to them to assist with the proper identification of DFAS paying offices on DoD procurements. The intent of our memo dated November 23, 1999, was to focus attention upon procurements which are not administered by the Defense Contract Management Command (DCMC). Unfortunately, this was not specifically stated in our original correspondence. Consequently, readers of our memorandum are now questioning whether the instructions contained in DFARS 242.302 (a)(13)(B) regarding DCMC administered contracts still applies.

Please be assured that our original correspondence was intended to target only those procurements not administered by the DCMC. Our memorandum was specifically intended to expand upon the instructions contained in DFARS 242.302 (a)(13)(C)-addressing contracts not administered by DCMC.

We regret any confusion that has resulted from our original correspondence. We request that you issue a supplemental memorandum clarifying this issue. My point of contact is Mr. Joe Dugan, Deputy Director of the Defense Finance and Accounting Service, San Diego Operating Location. He can be reached by calling (858) 616-4700, DSN 669-4700, or via the Internet at [joe.dugan@dfas.mil](mailto:joe.dugan@dfas.mil).

  
Kenneth R. Sweitzer  
Deputy Director

ENCLOSURE(1)



**DEFENSE FINANCE AND ACCOUNTING SERVICE  
CLEVELAND CENTER  
1240 EAST NINTH STREET  
CLEVELAND, OH 44199-2055**

NOV 23 1999

(DFAS-CL/D)

**MEMORANDUM FOR DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,  
OASN (RD&A)**

**SUBJECT: Payment Office Designation on Procurement Documents**

This memorandum is being issued to call your attention to the longstanding DFAS policy regarding the designation of payment offices on DoD procurement instruments. We continue to receive instruments with an incorrect payment office designation. This requires us to return the instrument to the originating office for modification. As a result, payments are being delayed and Prompt Payment Act interest penalty payments increase. These consequences can easily be avoided by using the references discussed below. We are asking you to review the procedures contained herein and disseminate this payment office designation information to all your buyers and contracting officers. Please implement these procedures immediately.

In general, the proper paying office is determined by examining the line of accounting supplied to you on the requisition funding the procurement. DFAS Instruction of October 1998, Defense Accounting Classification Crosswalk (DACC) details how the individual DoD agency lines of accounting are constructed. The DACC also identifies which data elements embedded in the various lines of accounting are used to determine the proper DFAS paying office for any particular line of accounting. The DACC can be located on the web at <http://www.dfas.mil/library/dacc.pdf>.

Once the accounting office is determined by using the DACC, you will need to find the paying office authorized to disburse funds for that particular line of accounting. The DFAS Lane contains a web based reference tool linking accounting offices to authorized paying offices. This tool is located at [http://oraappl.dfas.mil/vpocdev/bin/vpocview\\$.startup](http://oraappl.dfas.mil/vpocdev/bin/vpocview$.startup).

In order to streamline the payment process and preclude the necessity of modifications to contracts, we strongly encourage you to implement the procedures contained herein when assigning paying offices to procurement instruments. Please be aware that for awards citing more than one line of accounting the paying office selected must be the one associated with the office accounting for the preponderance of the funds awarded. Dollar value is used to make this determination.

**ENCLOSURE(2)**

Additionally, we would like to ask you to review the use of the purchase card within your individual operations, as well as the progress being made toward decreasing the number of lines of accounting cited on an individual contract. DoD policy mandates that the purchase card be used when placing commercial type buys equal to or less than \$2500. Our OPLOCs continue to receive an unexpectedly high volume of individual non-purchase card invoices within this dollar range. This seems to be symptomatic of a non-compliance issue somewhere within your purchasing networks. Also, we ask you to work closely with your customers to ensure they structure their requirements packages and the associated funding in a way that will facilitate the DoD desire to minimize the number of lines of accounting within the same subhead appearing on an individual contract.

My technical point of contact is Mr. Joe Dugan, Deputy Director of the Defense Finance and Accounting Service San Diego Operating Location. He can be reached by calling (858) 616-4700, DSN 669-4700, or via the Internet at [joe.dugan@dfas.mil](mailto:joe.dugan@dfas.mil). Let him know if you have any questions regarding the use of these web sites.

  
Kenneth R. Switzer  
Deputy Director

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