

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14.R, VOLUME 10, CHAPTER 12
“MISCELLANEOUS PAYMENTS”**

All changes are denoted by blue font

Substantive revisions are denoted by a * preceding the section, paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

This chapter update is made to the paragraph identified below. The remaining sections of the chapter are the published version dated July 2010.

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
120201	Incorporated Policy on Funding of Freedom of Information Act (FOIA) Attorney Fees as issued in Under Secretary of Defense Comptroller memo entitled “Funding Freedom of Information Act (FOIA) Attorney Fees” dated July 27, 2011.	Add

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CHAPTER 12

MISCELLANEOUS PAYMENTS1201 OVERVIEW

120101. Purpose. This chapter prescribes policy for certain miscellaneous payments. Additional information concerning miscellaneous payments is available in a [Department of Defense \(DoD\) Guidebook for Miscellaneous Payments](#) issued by the Office of Defense Procurement and Acquisition Policy.

120102. Policy. Miscellaneous payments are subject to the obligation standards identified in [Volume 3, Chapter 8](#) of this Regulation and procedures identified in the DoD Guidebook for Miscellaneous Payments.

A. Payments will be requested using [Standard Form \(SF\) 1034](#) (Public Voucher for Purchases and Services Other than Personal) (or substitute electronic version), [SF 1164](#) (Claim for Reimbursement for Expenditures on Official Business), or other approved forms. Guidance for disbursement vouchers can be found in [Chapter 8](#) of this volume, and [Volume 5, Chapter 11](#) and [Volume 5, Chapter 33](#) of this Regulation.

B. Submitting activities must provide payment offices with a [Defense Department \(DD\) Form 577](#) (Appointment/Termination Record) for certifying officials.

C. The approved [SF 1034](#) will contain a valid line of accounting obligated as specified in [Volume 3, Chapter 8](#) of this volume. Processing of the payments through a DoD payment system may require the configuration of unique standard document numbers.

D. All payments require all claimants to provide a Tax Identification Number (TIN) in accordance with [Title 31 United States Code \(USC\), section 3325\(d\)](#). Vendors or contractors are required to be registered in [Central Contractors Registration](#) (CCR) as prescribed by [Federal Acquisition Regulation \(FAR\), Subpart 4.11](#). Conditions under which registration in CCR is not required prior to the award of a contract agreement are found at the FAR 1.1102.

1202 FEES, CLAIMS, AND AWARDS

* 120201. [Attorney Fees Awarded Under Freedom of Information Act \(FOIA\), Title 5 USC 552](#) requires release of agency records requested under the authority of the statute unless a specific exemption authorizes its withholding.

A. Under the provisions of the FOIA, a federal district court judge may award attorneys' fees and litigation costs to a party that substantially prevails in litigation against the government. The Openness Promotes Effectiveness in Our National Government Act (OPEN) of 2007 ([Public Law 110-175, Section 4](#)) stipulates that fees assessed in FOIA litigation are no longer payable from the Department of Justice Judgment Fund and must be paid from

appropriated funds of the agency or agencies from which the plaintiff has obtained relief by judgment of the court or substantial change in agency position.

B. It is Department funding policy that the attorney's fees and other costs assessed in the FOIA litigation are to be paid from operating funds of the Military Department, Defense Agency, Field Activity or Combatant Command responsible for administering the initial FOIA determinations or contested record searches that are the subject of the litigation. The funding organization will not necessarily be the organization named as a defendant in the litigation. Funds current at the time of the attorney fee award determination shall be used for payment.

C. Litigation involving record or FOIA determinations of multiple organizations may require funding responsibility to be allocated among such organizations. Counsel responsible for defending the litigation ordinarily is in a position to identify the organization that should fund a portion of the attorney fee assessments and should be consulted accordingly.

120202. Attorney Fees Awarded by Court. The Department of Justice (DOJ), in most cases, is the federal agency designated to represent DoD in litigation. Additionally, the DOJ is funded to make payments of properly awarded attorney fees. (Fees awarded in discrimination cases are exceptions. See paragraph 120311 for more detail on discrimination cases). Attorney fees must be awarded by a court of competent authority and normally are paid by DOJ from its permanent appropriation. If such fees are not payable from this appropriation, then the DOJ provides guidance on a case-by-case basis.

120203. Attorney Fees Awarded Under the Equal Access to Justice Act

A. The Equal Access to Justice Act (EAJA), as amended by the Equal Access to Justice Reform Act of 2005, 5 USC 504 authorizes payment of attorney fees and other expenses incurred by the prevailing party (other than the United States) in civil actions and in administrative proceedings. The party prevailing against the Department in adversary adjudication or in a court action may obtain an award of attorney fees and other expenses incurred in connection with the proceeding.

1. In adversary adjudications, application for the amount sought must be submitted to the DoD activity involved within 30 days of final disposition in the adversary adjudication (See 5 USC 504).

2. In court actions, the application for an award of attorney fees and other expenses must be submitted to the court within 30 days of final judgment in the action (See 28 USC 2412).

3. In both cases, the application must be supported by an itemized statement from the attorney, agent, or expert witness stating the actual time spent and the rate at which fees and other expenses were computed.

B. Attorney fees and other expenses awarded to claimants under EAJA are

paid from funds available to the DoD activity at the time that the award is made. Attorney fees payable under EAJA are limited to \$125 (5 USC 504) per hour unless the adjudicating officer (deciding official) or the court in civil actions determines that a higher rate may be allowed under the law. Other expenses include those for expert witnesses and for any study, analysis, engineering report, test or project necessary for the preparation of the party's case. Make payment in the amount approved by the adjudicating officer, or by the court in civil actions, based on documentation from the adjudicating officer or the court.

120204. Attorney Fees Awarded Under Contract Disputes. Attorney fees payable in connection with an action filed by a contractor under the Contract Disputes Act of 1978 ([41 USC 7101-7109](#)) will not be included in any payment made by the Treasury Department to the contractor. Attorney fees awarded in these cases will be paid out of funds current at the time the award is made and available to the activity accountable for the contract obligation ([41 USC 7108](#)).

120205. Awards Made to Bid Protesters Under the Competition Act of 1984 ([31 USC 3551-3556](#)). If the Comptroller General determines that a solicitation for a contract or a proposed award or the award of a contract does not comply with a statute or regulation, then the Comptroller General may decide that the protesting party is entitled to the payment of costs associated with filing and pursuing the protest, consultant and expert witness fees, bid/proposal preparation, and reasonable attorney fees. See [31 USC 3554\(c\)\(2\)\(A\)-\(B\)](#) for limitations.

A. The payment of costs of bid and proposal preparation amounts must be made from the funds of the activity funding the contract within 30 days (31 USC 3554) after receipt by the contracting office. A copy of the Comptroller General decision, along with a statement of costs incurred and approved by the contracting officer, will be used to support the payment.

B. A successful bid protester must certify, to the best of one's knowledge and belief that the statement of cost submitted for payment:

1. Contains only costs that are legitimately payable pursuant to the guidance set forth by the [Government Accountability Office \(GAO\)](#) in connection with payments of attorney fees and bid preparation costs, and

2. Are complete and accurate.

120206. Claims Under the Federal Tort Claims Act and Other Non-Contractual Claims

A. Persons designated to approve or disapprove claims cited under these statutes and the regulations governing preparation, submission, adjudication, and payment of the claims can be obtained from the local office of counsel or judge advocate office. Claims approved by the Secretary of a Military Department, or by designated approving authorities in the office of counsel or judge advocate general, will be sent to the appropriate office for payment of the public voucher. Claims approved by other designees are forwarded to the local

entitlement office that serves the approving authority for payment of the public voucher.

B. The Secretary of Defense or designee is authorized to pay claims against the United States for monetary damages. Instructions are cited in the DoD Guidebook for Miscellaneous Payments.

120207. Claims under [The Foreign Claims Act, 10 USC 2734](#). The Foreign Claims Act authorizes the Secretaries of the Military Departments, or their designee, to appoint claims commissions to approve or disapprove claims cited under the Act. Claims commissions also may approve or disapprove claims under international agreements cited under 10 USC 2734b. Contact the local office of counsel or judge advocate office for the regulations governing preparation, submission, adjudication, and payment of these claims. Claims approved will be forwarded to the nearest DFAS disbursing office serving the country concerned.

120208. Payment to Contractor When Contracting Officer Approves Claim under the Contract Disputes Act of 1978 (41 USC 601-613) covered under [FAR 33.2](#) and [FAR 52.233-1](#).

A. If funds for claims are available and the contractor does not appeal, then settlement is made by the responsible entitlement office from funds cited on the contract.

1. After final agreement with the contractor, the contracting officer should initiate an [SF 30](#) (Amendment of Solicitation/Modification of Contract) to obligate the funds.

2. Upon receipt of the contractor's invoice and the SF 30, payment can be made, including interest from the date the claim was received by the contracting officer to the date of payment.

B. If funds for claims are not available, then the contracting officer may refer the claim to the [Armed Services Board of Contract Appeals \(ASBCA\)](#) and request that the ASBCA approve settlement of the claim from the judgment fund. Reimbursement to the judgment fund is made upon receipt of a bill from the Treasury Department from current and available funds or by obtaining additional funds (41 USC 612) as stated in paragraph 120208. The procedures for payment of amounts under the Contract Disputes Act by the ASBCA or the Court of Federal Claims are in paragraph 120208.

120209. Payment to Contractors Based on Decisions of Board of Contract Appeals or Court of Federal Claims

A. Court action may follow contract termination by the United States. If it does, then payment may be due the contractor when final judgment is against the United States. Should this happen, send a transcript of the court judgment directly to the GAO, Washington, DC 20548 (except for claims settled under the Contract Disputes Act of 1978 as noted in paragraph 120208.B). GAO settlement is required by [28 USC 2414](#) on final judgment by the United States District Courts and by [28 USC 2517](#) on final judgments by the Court of Federal

Claims. The GAO pays from the Treasury Department general funds. Do not use Operations and Maintenance or other appropriated funds for this purpose.

B. Payment of claims under the Contract Disputes Act of 1978 (41 USC 601-613 and FAR 33.2 and 52.233-1) is covered by 41 USC 612. Judgments against the United States by the Court of Federal Claims and monetary awards to a contractor by the ASBCA are authorized to be paid and charged to the permanent judgment fund established by [31 USC 1304](#). Amounts paid may include interest from the date the claim was received by the contracting officer to the date of payment.

C. Payment of attorney fees claimed by the contractor may not be included in amounts paid from the judgment fund in these cases. Attorney fees are processed under the Equal Access to Justice Act as noted in paragraph 120203. The Contract Disputes Act requires that the activity whose funds were used for the contract must then reimburse the judgment fund out of available funds or by obtaining an additional appropriation.

120210. Payments to Reimburse the Treasury Department for Payments in Settlement of Contractor Claims. Upon certification by GAO, the amounts of contractor claims settled under the Contract Disputes Act of 1978 may be paid to the contractor by the Treasury Department from the permanent judgment fund. Amounts paid to contractors are reimbursable to the Treasury Department from the appropriation available for the purpose of the contract or by obtaining additional funds for such purpose. If funds are not available in the proper account to cover invoices received from the Treasury Department, then request additional funds through appropriate channels. Amounts reimbursed to the Treasury Department are charged to current funds as cited in Volume 3, Chapter 8 of this Regulation.

120211. Interest Awarded Contractor by the Armed Services Board of Contract Appeals

A. Applicable interest rates are established by the Secretary of the Treasury Department under [31 USC 3902](#) in January and July of each year. Rates are announced on the [Treasury Department website](#).

B. Interest is computed from the date that the contracting officer received the claim or the date that payment is due, when that date is later, until the date of payment. See [FAR 33.208](#).

C. If the claim is based on antecedent liability, then interest payments are chargeable to the appropriations current at the time the basic contract was executed. A contract claim is based on antecedent liability when the modification or adjustment is within the general scope of the original contract and is made pursuant to a provision, such as an amendment to the original contract. Contract claims not based on antecedent liability are chargeable to appropriations current when the claim is allowed (Volume 3, Chapter 8).

D. Claims in paragraph 120211 exclude interest penalty claims applicable to the Prompt Payment Act (PPA) cited in [5 CFR 1315](#). PPA interest must be paid from the funds

available for the administration of the program for which interest was incurred or from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated Public Law (PL) 107-117, Div A, Title VIII, Sec. 8084. All interest payments will be charged to the fiscal year(s) in which they accrue. In case of cancelled appropriations, the current fiscal year will be charged any interest payment (31 USC 1553 (b)(1)). Interest due the contractor is payable from the date the contracting official receives the claim until payment is made.

120212. Return of Absentees. Under 10 USC 956, certain claims are authorized and paid as follows:

A. Reimbursement for Actual Expenses. When a reward has not been offered or when conditions for payment of a reward otherwise cannot be met, reimbursement, not to exceed \$75, may be made to any person or agency for actual expenses incurred in the apprehension, detention, or delivery to military control of an absentee or deserter. If two or more persons or agencies join in performing these services, then payment may be made jointly or separately, but the total payment or payments will not exceed \$75. Reimbursement will not be made for the same apprehension and detention or delivery for which a reward has been paid. Actual expenses for which reimbursement may be made are found in DoD Guidebook for Miscellaneous Payments and will include:

1. Taxicab, bus fare, or mileage at the per mile rate established by the Joint Travel Regulation for a privately-owned conveyance when travel is performed either by the citizen or officer and prisoner, or a round trip from either place of apprehension or civil police headquarters to place of return to military control.

2. Meals furnished the member for which the cost was assumed by the apprehending person or agency representative.

3. Telephone or telegraph communication costs.

4. Damage to property of the apprehending person or agency if caused directly by the member during his or her apprehension, detention, or delivery.

5. Such other reasonable and necessary expenses incurred in actual apprehension, detention, or delivery as may be considered justifiable and reimbursable by the commanding officer.

B. Reimbursement for Subsistence Furnished. Civil authorities may be reimbursed for the cost of subsistence furnished to military personnel placed in their custody for safe keeping at the request of military authorities. Such reimbursement will be in addition to rewards and reimbursement for actual expenses. Payment of subsistence will be made in accordance with the procedures for payment of other actual expenses except that an itemized statement of charges approved by the officer who directed the confinement is required.

C. Condition for Payment. Before a reward is payable, there must be a

notification issued for the return to military control of the absentee, deserter, or escaped military prisoner. Receipt of [DD Form 553](#) (Deserter/Absentee Wanted by the Armed Forces), oral or written communication from military or federal law enforcement officials, or entering the individual's name in the [National Crime Information Center \(NCIC\)](#), constitutes notification.

D. Amounts Payable

1. A reward of \$50 is paid for the apprehension and detention until military authorities assume physical control of the member.

2. A reward of \$75 is paid for the apprehension and delivery of the member to military control.

E. Voucher Preparation. An SF 1034 is prepared and certified by the personnel officer or other certifying official designated by the commanding officer of the activity to which the apprehended member was released. In addition to the other routinely required data items on an SF 1034, the following information must also be shown on the voucher:

1. The member's name, Social Security Number, organization from which the member is absent, and the date and place military authorities resumed control.

2. A statement that the payee apprehended and detained, or apprehended and delivered the member.

3. The military appropriation of the parent military service of the person apprehended.

F. Voucher Support. For payment of reward, attach a copy of a DD Form 553 or a certificate from the organization of the absentee or written notification from military or federal law enforcement officials stating that the absentee's return to military control was desired. For reimbursement of actual expenses, attach an itemized statement of allowable expenses.

G. Payment. Upon receipt of the SF 1034 claiming payment the entitlement office reviews the voucher for propriety and if proper, pays the person or agency concerned.

H. Reimbursements. Reimbursement will not be made for:

1. Lodging at nonmilitary confinement facilities,

2. Transportation performed by the use of official federal, state, county, or municipal vehicles, or

3. Personal services of the apprehending, detaining, or delivering person, or agency. Payment of actual expenses will be made in accordance with the payment procedures in this paragraph except when an itemized statement of costs approved by the

commanding officer is required and notice of DD Form 553 or other form is not required.

1203 PURCHASES OF SPECIAL ITEMS AND SERVICES

This section provides guidance for various special items and services for non-recurring and non-contractual purchases.

120301. Advertising

A. Newspapers. In accordance with [44 USC 3702](#), prior to advertising in newspapers, trade journals, and similar publications, written authority to advertise must be received from the cognizant DoD Component Head or from a person who has received written delegation of authority from the Head of a DoD Component. Such delegation of authority cannot be re-delegated. Newspaper advertisements will not be paid unless presented with the bill and a copy of the written authority. Requirements for payment and retention of documents are:

1. Providing Substantiating Documentation. Procurement documents for official advertising provide that each invoice accompanied by an affidavit of publication or a copy of the publication or advertisement (known as a "tear sheet") will be submitted to the purchasing office. The officer placing the advertisement will attach to the invoice a copy of the procurement document and evidence of authority to advertise and forward the invoice to the designated entitlement office. Except in cases of blanket authority to advertise, the public voucher for advertising will be accompanied with a copy of the original authority to advertise signed by the Head of the DoD Component or an officer delegated to authorize advertising. If advertising was authorized by a delegated officer, then a copy of the delegation will be attached to the first public voucher paid under such delegation and will be referenced on subsequent vouchers. When the authority to advertise is given to several activities in the form of a notice or instruction issued by the Head of a DoD Component on that official's delegated authority, a reference to the authorizing notice or instruction on the advertisement order is acceptable in lieu of a copy of the authority.

2. Retention of Supporting Documents. Every account for official advertising rendered will be accompanied by a tear sheet in which the advertisement appeared as a proof of publication. If tear sheets are not available, then an affidavit or publication may be furnished in lieu thereof. The affidavit will be signed by an official of the publishing firm or advertising agency with which the order was placed and, in the case of advertising in newspapers or periodicals will identify the issues in which the advertisement appears. Tear sheets or affidavits submitted as proof of publications will be attached to the certified memorandum and public voucher. Documentation will be retained in accordance with [Volume 5, Chapter 21](#) of this Regulation.

B. Radio Advertising. The requirement of written authority for advertising from the Head of a DoD Component or from a person who has received written delegation of authority does not apply to radio advertising. The other restrictive provisions, relating to advertising in 44 USC 3702 do not relate to radio advertising. There are no general restrictions

upon the use of appropriated funds for radio advertising in promotion of objectives for which funds are appropriated.

120302. Arbitrator Fees. The use of arbitrator services under negotiated grievance procedures of management and labor union agreements is authorized. These services normally are acquired by issuance of a DD Form 1155 (Order for Supplies and Services) which specifies payment terms and conditions. The civilian personnel office submits approved documents to the responsible activity for funds certification and reservation of funds before obtaining contract action. Upon completion of services, the civilian personnel office certifies that services have been received. This certificate serves as documentation representing the receiving report required for payment. Pay the arbitrator on the date specified in the contract. If the contract does not contain a due date, then pay as close as possible to (but no earlier than 7 days before) 30 days after the later of invoice receipt date or date of acceptance of service.

120303. Automobiles. The use of appropriated funds to purchase or hire passenger motor vehicles must be specifically authorized by appropriation act or other law (31 USC 1343, 1344, and 1349). Articles used with a car but not permanently attached to or not an integral part thereof (Tire chains, fire extinguishers, safety flares, removable seat covers, transportation of the vehicle, and taxes) are not included in the purchase cost limitation.

120304. Blood Purchases. Blood supplies may be purchased with appropriated funds for persons entitled to medical treatment at government expense (24 USC 30).

120305. Border Clearance Inspectors Overtime Expenses. If border clearance inspectors are required to work overtime or on Sundays and holidays at a DoD installation, then the DoD installation pays the overtime expenses incurred, including travel and subsistence when appropriate. Travel and subsistence are not paid for border clearance officials regularly assigned to DoD installations. When additional inspectors are required to supplement the regularly assigned inspection staff, the DoD installation pays for their overtime, travel, and subsistence. If a DoD aircraft lands at a site other than a DoD installation, then the home station of the aircraft will pay the charges. When a DoD aircraft lands at a DoD installation, the installation providing the clearance service bears the expense of the border clearance inspection. These charges should receive financial approval and reservation of funds in the amount certified as soon as the claim is approved. The DoD official designated to make the necessary arrangements will maintain appropriate records, submit requests for overtime, and certify billing documents for payment. Billing forms of the federal agency providing the service are acceptable. Make payment on the basis of a certificate that services were received and accepted. Invoices from one agency may be consolidated and paid by a single payment. Send one copy of the payment voucher to the agency with the payment.

120306. Cash Awards to Military Members

A. Military personnel may receive cash awards for suggestions, inventions, and scientific achievements as authorized by Military Service regulations.

B. Upon approval of an award, the Executive Secretary of the Suggestion

Awards Committee prepares, certifies, and submits an SF 1034 (plus a copy of the Suggestion Award Certificate) to the entitlement office.

C. The payment is made against current funds available from the activity to which the member was assigned at the time the suggestion, invention, or achievement was submitted. Federal and state income tax withholding is required on all cash awards. The SF 1034 must provide Home of Record (HoR) of the military member for state tax reporting. The only exception to the requirement for withholding taxes on cash awards is when payment is made to an enlisted member serving in a combat zone. See Combat Zone Tax Exclusions discussed in [Publication #3 Armed Forces Tax Guide](#).

120307. Civilian Uniform Allowances. Payment of civilian uniform allowances will be made on public vouchers prepared and certified by the proper authority. When more than one employee is paid in cash on the same voucher, the signature of each payee acknowledging payment will be obtained on the original voucher. The payment will be charged to the same appropriation and subsidiary accounting data normally charged for the salary of the personnel concerned. [PL 110-181, section 1113](#) (Uniform Allowances for Civilian Employees) amends [10 USC 1593](#) for the amount payable as prescribed by the Secretary of Defense. Effective June 23, 2008, [5 CFR 591.104](#) states that an agency may establish one or more initial maximum uniform allowance rates greater than the Government-wide maximum uniform allowance rate established under [5 CFR 591.103](#).

120308. Confinement of Female Prisoners in Civil Detention. When DoD confinement facilities are not available, or do not provide for the separation of male and female prisoners, regulations provide procedures for transferring female prisoners to civil detention facilities. The Security Office transfers female prisoners and provides the entitlement office with a certified voucher and supporting documents for payment of the confinement expenses. The disbursing office remits payment to the civil confinement facility and coordinates on all matters of pay and allowances due the prisoner while in confinement. The funds to be charged for the confinement are determined by the expenses itemized on the invoice.

120309. Copies of Official Records or Documents. Fees required by local laws may be paid to proper officials for certified or photocopies of public records or documents required by a court or board. Current Operations and Maintenance (O&M) funds may be used to purchase death certificates for deceased retired personnel only if there are no beneficiaries or none can be located.

120310. Demurrage on Cylinders. Vouchers covering demurrage charges on gas cylinders or drums retained beyond the contract free period may be prepared on a quantity basis. This means based on a number of cylinders, without regard to any particular cylinder, where contracts so provide. In such cases, explain the method of calculating demurrage, cite the voucher covering the preceding demurrage payment and other identifying data such as the cylinder number, date cylinder was delivered, date rental starts, date cylinder was returned, and the actual number of days and rate per day on which the charges were computed. Charge the funds of the activity that caused the delay. Identify also the voucher upon which payment was made for the filled containers.

120311. Discrimination Complaints.

A. General. Costs incurred in processing discrimination complaints may include travel expenses, attorney fees, investigation expenses, costs of administrative judges, and court reporters ([5 CFR 1201.201-202](#)).

B. Attorney Fees. In cases involving complaints of discrimination, attorney fees may be awarded pursuant to either a no-fault settlement agreement, an informal adjustment, a decision of the service director of Equal Employment Office (EEO), the Equal Employment Opportunity Commission (EEOC), the Merit Systems Protection Board, an arbitrator, a Federal court, or other appropriate authority. After review and approval of the award letter by the legal counsel, prepare an SF 1034, made jointly payable to the complainant and complainant's representative and supported by the award letter and approval. Requests to make actual payments are initiated by the EEO manager of the legal office. Cite local operating funds current when the employee or employee's representative is notified of the amount payable on the claim for attorney fees and cost. Allowable and reasonable attorney fees are discussed in [29 CFR 1614](#).

C. Investigation Expenses. Most complaints are investigated by an investigator assigned to the appellate review agency. The EEO manager arranges for the investigator's visit and submits a claim citing operating funds current at the time services are requested. If local funds are used for miscellaneous purchases, then the chief EEO counselor will initiate a purchase request using current operating funds. An SF 1034 or a DD Form 1155, approved by the chief EEO manager, will be used to make payment.

D. EEO Administrative Law Judge. An EEO Administrative Law Judge is an official assigned by the EEOC to hold hearings on formal complaints of discrimination and otherwise process individual and class complaints for the EEOC. Expenses associated with these complaints are funded by the activity where the alleged discrimination took place using operating funds current at the time the services are requested (41 USC 612). The EEOC will bill the activity for any authorized and required expenses. The chief EEO manager reviews and approves the EEOC billing before payment by the disbursing office.

E. Court Reporter. The chief office of counsel arranges for the services of a court reporter by submitting a request to the DoD Component contracting office. Costs for court reporter services are funded by the activity where the alleged discrimination took place using funds current at the time services are requested. The chief EEO manager reviews and approves the SF 1034 or DD Form 1155 for payment.

F. Interest. Interest payments (when permitted by statute) are to be charged to funds current when the award is made. The [Internal Revenue Service \(IRS\)](#) establishes the rate used. This interest rate is not the same as that is used for computing interest under PPA.

120312. Emergency Notification Service (9-1-1)

A. Emergency notification is a service allowing a telephone subscriber to dial

one number, often 9-1-1, for any emergency. A central control desk takes the call and notifies the appropriate local government agencies. This service often is provided by a state or local government and is funded by charges collected from telephone subscribers. In many cases, this charge actually is a tax levied by the providing agency, and the telephone company merely acts as the billing and collection agent.

B. If 9-1-1 fees are imposed by a telephone company for its own service and duly permitted by the tariff to which all utility customers are subject, then the charge is proper and payable by the government. If, however, a state or local government actually is imposing the charge and merely using the telephone company as its agent, then the charge amounts to a tax from which the Department is exempt.

C. Federal agencies do not have the authority to waive immunity from such fees. If a military installation was invoiced for a 9-1-1 charge imposed by a state or local government, then the tax is not subject to payment. If fees were improperly paid, then collection guidance for improper payments is discussed in [Chapter 18](#) of this volume.

D. If it is unclear whether such charges are taxes or service charges, then the responsible official should contact the base communications officer or higher authority.

E. Telephone service to on-base residents is a matter of private contract between the resident and the local telephone company. If residents are charged for 9-1-1 service, then they may not claim exemption on the basis of immunity. If a resident of the base housing lives in an area where all fire, police, and other emergency services are provided by the base, then the charge may be for services the resident does not receive, and a challenge on that basis may be possible. Regardless of the basis a resident of base housing uses to challenge a 9-1-1 charge, it remains a private matter between the subscriber and the telephone company.

120313. General Services Administration (GSA) Payments, Where DoD Liability Exists for Damages to GSA Motor Pool Vehicles

A. Except for normal wear and tear, the Department is pecuniarily liable for loss of or damages to GSA motor pool vehicles caused by negligence, misconduct, abuse, or inattention of military or DoD civilian personnel.

B. This liability is not confined to cases of negligence or willful misconduct assessed against individuals. Use an [SF 1080](#) (Voucher for Transfers Between Appropriations and/or Funds) for payment to GSA. Funds currently available should be cited on the voucher. The damaged vehicle involved must be identified on the SF 1080 and the information must include the vehicle registry number, date of damage, register number of an [SF Form 91 \(Motor Vehicle Accident Report\)](#) and a [SF Form 94 \(Statement of Witness\)](#) when applicable. Do not delay payment to the GSA pending report of surveyed damages.

C. Send one copy of the voucher, without supporting papers, with the payment to GSA. Support the original voucher and other copies of vouchers (when applicable) with a certified true copy of the Report of Survey, for DoD property where applicable, and a cost

of repairs statement prepared by GSA.

120314. Handling Charges. Contractors may include a handling charge, service charge, or minimum billing charge on orders below a certain value. If these charges are included in the contract, then they will be paid.

120315. Hospital Accreditation. If required, payment for any part or all of the initial or reaccreditation surveys ([Joint Commission on Healthcare Organizations](#)) may be made in advance.

120316. Lost or Damaged Clothing Payments to Military Personnel. Military personnel entitled to reimbursement for lost or damaged clothing submit an approved service specific Personal Clothing Claim form. The service member's activity billing office will prepare an SF 1034 for payment to the member.

120317. Medical Services Provided by Civilian Non-Federal Sources

A. Members. The military medical treatment facility (MTF) can refer members to civilian health care providers for diagnostic services and/or treatment. Claims from civilian non-Federal sources for such care will be paid on an SF 1034. The form will be prepared and certified for payment within 30 days from the later of receipt of an invoice in the specified office or the date of acceptance of the care as attested by the approving authority and supported by itemized invoices. The same standards apply to approved claims for services rendered in connection with care of a deceased member.

B. Dependents and Retired Personnel. Dependents and retired personnel are authorized certain medical care and diagnostic services as established by [10 USC 1071-1085](#). When an MTF is managing the care of dependent and retired personnel and must refer those personnel to civilian facilities for care that is beyond the MTF's capability, payment for that supplemental care is authorized. Payment will be made on an SF 1034. The funds charged will be the operating funds of the MTF that made the referral.

120318. Municipal Services. Under [10 USC 2465](#), absent specific legislative authorization, DoD may not make payments for any service required to be provided by the local government when such service is financed from revenues raised by state or local taxation from which the Federal Government is exempt. Common examples are police and fire protection. The Department may pay on the same basis as private users for services based on the quantity of direct services received, e.g., water and sewage. The general rule is that the Department will not pay for municipal services unless private citizens and businesses also pay a charge for the same services. See [48 CFR 237.102-70](#) for specific application of municipal services under 10 USC 2465.

120319. Patents, Copyrights, and Designs ([10 USC 2386](#)). Appropriated funds available for acquiring material may be used to acquire the following when it benefits the Department:

- A. Copyrights, patents, and applications for patents.
- B. Licenses under copyrights, patents, and applications for patents.
- C. Design, processes, and manufacturing data.
- D. Releases, before suit is brought, for past infringement of patents (10 USC 2386 and [FAR 28.105-2](#)).

120320. Pollution Control Permits or Fees. In the absence of express Presidential exemption, DoD facilities must abide by state or local laws for abatement and control of pollution. This includes obtaining permits and paying the associated fees. Use an SF 1034 to pay claims based on the certification or approval of the base civil engineer.

120321. Reciprocal Mutual Aid Agreements for Fire Protection

A. Claims for reciprocal mutual aid agreements for fire protection as required by [44 CFR 151](#), are to be submitted to the Administrator, U.S. Fire Administration, Federal Emergency Management Agency (FEMA), Washington DC 20472, by non-DoD firefighting organizations. If approved, then such claims are paid by the Treasury Department, subject to reimbursement by the DoD installation under whose jurisdiction the fire occurred.

B. If the claims affect current funding for fire protection, then FEMA will contact the installation as a part of its claim processing and adjudication procedures. Provide information requested, in coordination with the civil engineer, fire protection unit, and staff judge advocate. Provide complete name and address of the disbursing office, including the Disbursing Station Symbol Number (DSSN), and an appropriation fund cite for fire protection funding so that the Treasury Department can bill for reimbursement for approved claims paid.

C. Obligate available fire protection funds for the estimated amount of claims, either when notified or when contacted by FEMA under its claim processing procedures. If the Treasury Department pays such claims on behalf of DoD activities, then record an obligation and accrued expenditure for the amount reimbursed to the Treasury Department.

120322. Representation and Contingencies Fund Use

A. General. The instructions in this paragraph apply to disbursements made against funds separately appropriated in the contingencies program. These include representation, special expenses, and contingencies. For each fiscal year, the Congress appropriates funds in the contingencies program under the statutory authority in [10 USC 127a](#) for use by the Head of each DoD Component. Funding documents provide authority to obligate and expend contingency funds as approved or as adjusted later during the fiscal year.

B. Representation Funds. Unless otherwise specifically authorized by the Head of a DoD Component, representation funds are expended by commanders only for official entertainment or other official purposes authorized by [10 USC 127](#) and [DoD Directive 7250.13](#).

All expenditures of contingency funds for official representation specifically must be approved before the event by the applicable commander or designee. Such approvals will be in writing and indicate the purpose, number of guests, and estimated cost. Payments are made on an SF 1034 and certified by an authorized certifying official. As an alternative, the commander or designee may submit a properly certified statement with supporting documentation to the entitlement office for preparation and certification of the payment voucher.

C. Emergency and Extraordinary Expenses (10 USC 127). The language in the Appropriation Act for contingencies usually reads: “For emergencies and extraordinary expenses, to be expended on the approval of the Secretary of the cognizant Military Service, and payments may be made on their certificate of necessity for confidential military purposes.” Use the following procedures for the type of payment indicated:

1. Miscellaneous Current Expense. Payments against miscellaneous current expense funds generally are made on an SF 1034.

2. Intelligence Contingency Funds (ICF). Payments generally are for confidential military purposes and normally are made on a DD Form 281 (Voucher for Emergency or Extraordinary Expense Expenditures). All other claims are processed on other appropriate voucher forms. The original of all vouchers such as DD Form 281, SF 1034, and SF 1080, except for collection and correction vouchers, are returned to the originator. Designated ICF managers retain the original voucher and supporting documents.

3. Investigation Expenses. Expenses for other than confidential military purposes are recorded on an SF 1034. The vouchers are prepared using the applicable form. The originating office retains a copy of the voucher and supporting documents submitted to entitlement office. Classified investigation expenses for confidential military purposes are recorded on a DD Form 281.

120323. Rewards for Recovery of Lost DoD Property. Under 10 USC 2252 certain rewards are authorized and paid as follows.

A. Commanders may offer rewards for recovery of lost property.

B. Reward payment may be made to persons or organizations for the return of lost property, or information leading to its recovery.

1. Conditions for Payment of Reward:

a. The persons or organizations must know that a reward is being offered or that it is general practice to offer rewards for the return of particular DoD property or information leading to its recovery.

b. The claimant is not a member of the U.S. Armed Forces or an officer, employee, or agency of the U.S. Government.

c. Payment is not inconsistent with local laws, prevailing customs or practices, treaties, or international agreements.

2. Rewards are paid from the current funds available for the activity concerned. Support the voucher with a copy of the offer of reward, a statement by the commanding officer or designated representative that the conditions for payment of reward have been met, and a release from further claim signed by the claimant.

120324. Special Drinking Water. Special drinking water may be purchased in accordance with DoD Directive 6230.1 (Safe Drinking Water) with appropriated funds only when it is necessary from the government's standpoint, such as when:

- A. The public water is unsafe for human consumption.
- B. There is an emergency failure of the water source on the installation.
- C. There is a temporary facility with no drinking water available within a reasonable distance.
- D. There is no water fit for drinking purposes available without cost or at a lower cost to the government.

120325. Support of Armed Forces Personnel in Confinement. Purchase of health and comfort items for personnel confined on base is authorized not to exceed \$40 monthly per prisoner. Corrections officers should purchase these items for issue through the use of an SF 1034. Do not make cash payment to individual prisoners. Purchases of necessary uniform clothing items are authorized and processed in accordance with the regulation of the service of the prisoner, whether one is in a pay or non-pay status. Administrative costs for the prisoner's deposit fund, such as the purchase of checks and bank service charges, will be paid in accordance with the regulation of the Military Service of the prisoner.

120326. Telephone and Television Service

A. Statutory Provisions

1. Appropriated funds normally should not be used to pay for telephone service to private residences as provided by law (31 USC 1348, and 10 USC 1588 (4f)(2)). Long distance calls from private residences for official business may be paid from appropriated funds when supported by properly certified vouchers.

2. Official telephone bills for a period beginning in one fiscal year and ending in another fiscal year are paid from the appropriation current at the end of the period covered by the service (31 USC 1308). This rule also applies to leased wire and teletypewriter services.

3. Funds collected from the sale of telephone services are credited as

an appropriation reimbursement to the appropriation that bore the cost of such services ([10 USC 2686](#)).

4. Service clubs, motion picture service, Base Exchange activities, and officers' and noncommissioned officers' messes within the United States are subject to federal communications taxes ([26 USC 4251](#)).

B. Increased Rates. A contract may provide for payment of telephone charges at legally established rates. Under such contracts, rate increases approved by rate setting authorities may be paid. Increased rates, pending approval by rate setting authorities, may be paid but will be subject to adjustment if the increase is not approved.

C. Payment Procedures. The office designated to receive the telephone bills, from the telephone company, prepares and certifies the SF 1034 for payment by signing as the "Authorized Certifying Officer" in the space provided. The SF 1034 then is forwarded together with the telephone company's bill. Detailed listings and schedules supporting the telephone company's bill are retained by the responsible office and are not attached to the payment voucher.

D. Long Distance Calls. A certificate is required on each telephone bill or on the supporting statements of toll service with respect to the official long distance calls billed thereon as follows: "Pursuant to 31 USC 1348, I certify that the use of the telephone for official long distance calls listed herein was necessary in the interest of the government." The certificate is not required for charges covering telephone calls within a metropolitan exchange or which are billed as message units, or for intra-government reimbursement for telephone calls over government owned or government leased facilities. The certificate will be signed by proper authority and the capacity in which the person signs will be indicated clearly, such as "John Brown, Communication Officer."

E. Teletypewriter Service. Teletypewriter service is provided by telephone companies. The charges, based on time used, are billed in the same manner as long distance calls.

F. Unofficial Telephone Calls and Service

1. The officer responsible for telephone service to each activity is responsible for billing and collecting for unofficial service.

2. An administrative fee may be charged to the individual placing an unauthorized and/or unofficial call.

3. The purchaser will pay all charges for unofficial use of telephone service provided from a DoD switchboard. Charges for extensions, special or miscellaneous equipment and installation costs thereof, and toll call and telephone charges when incurred will be added to the basic monthly rate. Taxes will be assessed as applicable. Purchasers will not be assessed an additional charge for unlisted telephone number service in the installation directory.

Listing of telephone numbers in the DoD installation directory is considered a locator service rather than a telephone service. Personnel have the option of having their personal phone numbers listed or unlisted in the directory and may not be charged an additional fee in either case. Installers will bill purchasers all flat rate charges on the first regular monthly bill following incurrence of the service. When a purchaser has received service for only a fraction of the billing period, the monthly charge will be prorated. Tables of fractional charges and credits may be used to determine the amount of the prorated charge.

G. Collections. Collections for unofficial telephone service, including flat rate monthly service charges, toll charges, private telegrams made by telephone, applicable taxes, and charges for extensions, installations, special or miscellaneous equipment, and for occasional unofficial use of official telephones will be deposited with the disbursing office of the activity at which it was collected. Collections received will be credited to the appropriations and allotments available for supplying such service. Reimbursement for DoD provided unofficial telephone services in the United States will be credited to the currently available appropriations in proportion to the annual amount of operating expenses incurred and charged to appropriations that financed the services.

H. Defense Working Capital Fund (DWCF). DWCF activities in overseas locations that provide unofficial telephone service will retain reimbursements to the extent that expenses were incurred to provide those services. Any excess of reimbursements over associated expenses will be credited to miscellaneous receipts of the Treasury Department. When credit is to an appropriation or fund other than DWCF, the disbursing office will forward a copy of the collection voucher to the Accounting Officer of the appropriate activity. When security deposits to guarantee payment of obligations, as distinguished from advance payment for services, are made in accordance with local orders, such deposits will be credited to Deposit Funds and Suspense Accounts.

I. Federal Taxes. Federal taxes applicable to the unofficial telephone service will be collected from the member by the applicable disbursing office using a [DD Form 1131](#) (Cash Collection Voucher). The form will show a charge to the same accounting data as indicated for the telephone bill and will bear a full explanation for the expenditure, including identification of the activity where the taxes were collected. All public vouchers for the month will be paid to the Treasury Department by Intra-governmental Payment and Collection (IPAC) System. Monthly payment and quarterly returns will be made in accordance with instructions furnished by the District Director of IRS for the district in which the disbursing office is located. A copy of the public voucher will not be furnished to the payee (Volume 5, Chapter 11 of this Regulation).

J. Refunds. Refunds collected for unofficial telephone service will be deposited with a disbursing office supported by a DD Form 1131 chargeable to the appropriation originally credited.

K. Satellite Communications Service. The costs of ship to shore communication service will be collected from personnel using the service by the communication officer of the ship on a NAVCOMPT Form 2054-(3C). The communications officer will

immediately turn over the amounts collected to the disbursing office that will take up the collection as a credit to Suspense Accounts. When the telephone company bills the ship for the service, payment will be made to the telephone company by the disbursing office using an SF 1034 to substantiate the payment.

L. Reimbursement for Telephone Wiring Maintenance. Charges paid by the tenant for telephone wiring maintenance necessary in base housing may be reimbursed under 31 U.S.C. 1348. Charges for internal wiring repair in family housing will be reimbursed from maintenance funds and charges for unaccompanied personnel housing from current base funds.

M. Telephone and Television Reconnection Charges

1. Payment of appropriated funds is authorized for reconnection expenses where a move is the result of government action over which the member has no control and the move is directed at government expense. Exclude expenses incurred during permanent change of station.

a. Payment is authorized for the following as directed by the base commander:

(1) Mandatory assignment to government-owned housing facilities,

(2) Involuntary relocation to government or non-government facilities because of base renovation or condemnation proceedings, or

(3) The termination of assigned quarters because of death of qualifying dependents.

b. The reimbursement to members is not authorized for moves involving:

(1) Voluntary termination of assigned quarters,

(2) The termination of assigned quarters due to demotion to ineligible grade or adverse conduct by member,

(3) The termination of assigned quarters due to family separation (no hardship involved), or

(4) Member's voluntary movement from off-base to on-base quarters.

2. Reimbursement of the member's claim or a direct payment to the contractor will be charged against the appropriation covered by the service.

a. Reimbursement to Member. A Service member may pay for reconnection charges when billed and then file a claim for reimbursement. The member submits the invoice, letter, or special order directing the move, and a letter request to the billeting officer for bachelor quarters or to the base civil engineer for military family housing for approval and certification.

b. Direct Payment Method. A Service member may submit the same documentation through the billeting officer or base civil engineer to the entitlement office for a direct payment to the contractor. These payments are not subject to the PPA. The payment voucher should contain the statement, "payment is being made for the following individual(s) for reconnection services on the following dates."

3. Support the reimbursement or direct payment to the contractor with:

a. The special order or letter directing the move.

b. The letter from the member requesting reimbursement for reconnection charges already paid or direct payment to the contractor for charges not yet paid. The member must certify that the amount invoiced includes only those charges incurred in restoring telephone or television services previously provided at old location and does not include charges for any new services or equipment.

c. A copy of the telephone or television company invoice certified by the chief of services or base civil engineer showing only applicable reconnection charges. All other charges should be lined off and paid separately by the member.

120327. Tuition

A. Military Personnel. Tuition aid for military personnel will be paid in accordance with the approved contract or [Standard Form 182 \(Authorization, Agreement and Certification of Training\)](#).

B. Civilian Employee Training. The SF 182 is the authorized form to request, authorize, fund, certify, reimburse, and evaluate DoD civilian training. The training may be provided either from government or non-governmental sources. It must be a regularly scheduled, off-the-shelf course, training conference, or instructional service that is available to the general public and priced the same for everyone in the same category, i.e., price per student, course, program, service, or training space.

1. The total price of training authorized by the use of a single SF 182 may not exceed \$25,000.

2. The training officer (or the employee development officer) may authorize training for employees nominated to attend training in a government or nongovernmental facility. Refer to Component level instructions on completion of the SF 182

for further uses or limitations on the form. See [DoD 1400.25-M](#), Civilian Personnel Manual, Chapter 410 for more details.

3. Prohibitions against the payment of tuition or other expenses for training include overtime, holiday, and night differential pay or membership fees as outlined in [5 USC 4109](#) and [5 USC 5946](#).

4. Requirements on support of travel and transportation requirements involving attendance at training are contained in the [Joint Travel Regulations \(JTR\), Volume 2](#).

5. Educational service agreements may be entered into with established colleges, universities, or other educational institutions. Agreements may include all normal tuition and fees in established schedules applicable to all students attending the institution (excluding off duty educational programs for individual employees). Each request requires a contract that should be initiated via use of the SF 182.

6. Employees nominated to attend training in a government or non-governmental facility will be issued an SF 182 that is signed by an official with approving authority.

7. When the training has been procured by means of contract or educational services agreement, payment will be made in accordance with the provisions therein. If there is no contract or agreement, then payment will be made based on billings (invoices) received and approved by the sponsoring activity supported by a copy of the SF 182.

C. Advance Payment. Advance payment of tuition and other expenses is authorized (5 USC 4109) and ([31 USC 3324](#)) either when the training facility renders or refuses to render a billing. The SF 182 will identify the training facility by name and address, the amount payable to the facility for the advance of tuition, as well as the amount payable to the trainee for purchase of books, library, and laboratory services. The SF 182 must be submitted to the entitlement office to support payment of the advance.

D. Liquidation of Advance. Within 5 workdays after completion of the training, the trainee will prepare SF 182 itemizing the training expenses, attaching receipts when obtainable, and submit the original agency finance copy of SF 182 which was endorsed with the advance payment information. The disbursing office will liquidate the advance payment in the same manner as prescribed for travel advances.

120328. Tuition Refunds

A. Sponsors of tuition paying students attending DoD operated schools overseas (eligible under [DoDEA Administrative Instruction 7200.1](#)) may receive a prorated refund of tuition when they terminate enrollment prior to the end of the grading period. Refunds of advance tuition payment are authorized only on the basis of a full grading period. A grading

period is considered to be any one of the four periods established by the school and covered by student report cards.

B. The school administrator prepares, certifies, and submits an SF 1034 to the entitlement office for payment. The SF 1034 must include the name of the student, date enrollment was terminated, and the amount authorized for refund.

C. The entitlement office will pay the voucher after reviewing it for propriety and ensuring that related funds are available in deposit fund accounts.

1204 PROFESSIONAL LIABILITY INSURANCE (PLI)

120401. Civilian Employees. Certain civilian employees (law enforcement officer, supervisor, or management official) may be reimbursed for PLI up to one-half of the insurance premium cost, not to exceed \$150 annually (5 USC 59). The employee must submit the insurance policy and proof of payment to their servicing Human Resource Office/Civilian Personnel Office (HRO/CPO).

120402. Conditions for Payments of PLI. The employee also must submit a completed SF 1164, certified by the HRO/CPO approving official and an invoice from the insurance carrier. The insurance carrier invoice must include the issuing company's name, the policy number, and proof of payment. If it is not evident to the paying office that the carrier's invoice or the policy itself is a qualified professional liability policy, then the invoice will be returned to the employee, requesting that they provide evidence that the sole purpose of the policy presented for reimbursement is to provide liability insurance. The reimbursement is not treated as taxable income and not subject to W-2 reporting.

1205 GOVERNMENT CHARGE CARDS-CENTRALLY BILLED ACCOUNTS

120501. Government Charge Cards Centrally Billed Accounts. This section provides policy for charge card bills (hereafter referred to as "invoices" for the purposes of this guidance). Government charge card accounts are established in accordance with the GSA's government-wide SmartPay Contract and applicable DoD tailored task orders.

120502. Policy

A. OMB Circular A-123 Appendix B, Charge Card Management, provides the policy for Federal Government charge card programs.

B. The DoD Government Charge Card Guidebook is a consolidated guide that provides policies, unique business rules and procedures for DoD charge card programs.

C. Government centrally billed travel card policies and procedures are in Volume 9, Chapter 3 of this Regulation. Payment provisions are available in applicable DoD Component regulations and Standard Operating Procedures.

D. Government Purchase Card (GPC) Program financial management policies

are detailed in Chapter 23 of this volume.

E. Government Fuel Card (GFC) Programs. Defense Energy Support Center (DESC), the Executive Agent for bulk petroleum products, provides DoD with comprehensive energy solutions and administers GFC programs, including DoD Fleet Card, the Aviation Into-plane Reimbursement (AIR) and Ships' Bunkers' Easy Acquisition (SEA) Card processing contracts. DESC provides policy regarding roles, responsibilities and accountability of the DESC-sponsored GFC Program ([DoD 4140.25-M](#), Volume II, Chapter 16).

1. Fleet Card Program. Policy and procedures are in DoD 4140.25-M, Bulk Petroleum Management and DLA Policy Memo # DESC-P-8. Additional information concerning the [Fleet Card Program](#) is on the DESC website. Unique business rules for the Fleet Card program are found in Appendix H of the Government Charge Card Guidebook.

2. AIR Card Program. Policy, procedures, and other pertinent documents concerning the [AIR Card Program](#) are on the DESC website. Unique business rules for the AIR Card Program are found in Appendix G of the Government Charge Card Guidebook.

3. SEA Card Program. Policy, procedures, and other pertinent documents concerning the [SEA Card Program](#) are on the DESC website.

120503. Charge Card Bills. Charge card contractors will furnish a monthly invoice or statement of account, showing charges made during the billing cycle. The invoice must contain the elements specified in [Chapter 8](#) of this volume. The date of receipt of the invoice in the Designated Billing Office starts the PPA clock.

120504. Roles and Responsibilities. Officials must work together to ensure accuracy, propriety and legality over charge card payments. Volume 5, Chapter 33 of this Regulation provides roles and responsibilities of Departmental Accountable Officials (DAOs) for charge card programs. The certifying official ensures that only certified payment packages are forwarded for payment.

120505. Documentation. Charge card DAOs must ensure maintenance of documentation, at all levels, to support the integrity of the government charge card programs and facilitate the reconciliation and payment of charge card transactions. DAOs will establish clear audit trails for charge card transactions by maintaining documentation to support each purchase such as travel orders/authorizations; requisitions; including cross references to any related Blanket Purchase Agreements; telephone and mail order logs; receipt records; and credit slips. When certified invoice packages are forwarded to the entitlement office for payment, retention of supporting documentation is the responsibility of the certifying official.

120506. Disputed Transactions. Government charge card cardholders must dispute questionable transactions with the issuing bank within 90 days from the date that the transaction was processed. DAOs must notify the entitlement office by annotating the invoice and/or invoice package to show reductions for disputed charges and must maintain records to track disputed transactions to full resolution.

120507. Designated Entitlement Office. Designated Entitlement Office (DEO) officials rely on the Certifying Officer to ensure the validity, legality, and accuracy of certified invoice packages. The DEO must ensure that certified invoice payment packages undergo prevalidation to ensure the availability of funding. They will also ensure that a DD Form 577 (Appointment/Termination Record - Authorized Signature) is on file and verified for all manually certified payment packages.

120508. Records Retention. DAOs in the Billing Offices submitting GPC Billing Statements will ensure that proper audit trails exist, that documentation is available to support all charges and charge card payments, and that documentation is retained for the statutory period prescribed in Volume 5, Chapter 21 of this Regulation.

120509. Disbursement Voucher. Charge card purchases are paid using a certified disbursement voucher, complete with the line(s) of accounting (LOAs) for charging the payment.

1206 PAYMENTS UNDER REAL PROPERTY LEASES

120601. General. Leases are subject to the statutory and regulatory provisions applicable to DoD contracts, as well as the specific statutory provisions pertinent to leases. A lease is a contract by which the use of land or buildings is conveyed for a specified time at a specified rate of compensation. Leases describe the premises, the specific period involved, purpose for which used, the amount of rent, method of payment, special services included (such as heat, light, water, and janitorial services) and any restoration provisions. If the lessor fails to provide the services called for in the lease, then the lessee (DoD) may pay the cost and deduct the amount from the lease rental payments.

120602. Rent

A. Fractional Parts of a Month. Payment for part of a month for leased premises is made on the actual number of days involved. In computing the time between two dates, the general rule is to exclude the first and include the last date, except when the lease is for a specified term and begins on the date of occupancy.

B. Monthly Installment Payments of Annual Rent. A lease generally begins on the first of a month. For leases that begin on a date other than the first, the monthly rent installments become due and payable on the date of each month numerically corresponding to the date the term began, less one day. The amount of each installment should be one-twelfth of the annual rate, regardless of the number of days in any calendar month.

C. Recurring Rental Charges. Payment for these charges is made without requiring individual invoices from the vendor. At the end of each rental period, the using activity will confirm the use or availability of the property during the rental period. Identify lease and period covered on the payment voucher and process per provisions of the lease.

D. Reporting Rental Payments Made to Civilian Landlords. At the end of each calendar year, report yearly rental payments of \$600 or more to IRS (see [Chapter 6](#) of this

volume). Report the total payment on [Form 1099-MISC](#), Statement for Recipients of Miscellaneous Income. Do not report payments to real estate agents.

120603. Party Entitled to Rental Payment

A. If DoD occupies land under a lease, then the rental payment cannot be avoided because of any defect in the title of the lessor at the time the lease was made.

B. If DoD occupies land owned by several tenants-in-common under an agreement with one of them and without objection by the others, then such tenant-in-common is entitled to receive the rent.

C. If property leased to DoD is sold on one day and the deed of conveyance is executed on another day, then the grantee is entitled to receive the rental from the property only from and after the date of execution of the deed.

D. Liability for rent due does not become payable day-by-day. It becomes due in total on the dates set forth in the lease. The payment may not be currently prorated for several owners who may have owned the premises for a portion of the rental period. When leased property is sold, a copy of the deed of sale is furnished for association with the lease contract. If proper notification is provided to the lessee, then payment is made to the titleholder on the due date.

120604. Payment for Leased Land. Payment for leased land may not be made in advance. Leases in foreign countries are paid as local customs dictate.

120605. Payment for Cost of Improvement of Rented Premises. The laying of conduits and wires in leased premises occupied by DoD Components is an improvement of the premises. Unless the lease provides for the making of such improvements by DoD, payment of the cost is not authorized.

120606. Payment of Taxes on Property. Although taxes are not payable by DoD as the owner of real property, such taxes are properly payable as part of the rent when specifically included in the terms of the lease.

120607. Payment of Rent in Connection with Termination of Lease. Payment is based on the terms of the lease. Leases containing the standard U.S. Army Corps of Engineers termination clause require payment for the day after the notice of termination is mailed plus 29 days. Leases with other termination provisions must be analyzed on an individual basis.

120608. Capital and Operational Lease. A capital lease is essentially equivalent to an installment purchase of property. Capital leases transfer substantially all the benefits and risks of ownership from the lessor to the lessee. Operational leases do not meet the criteria for a capital lease.

1207 PAYMENTS UNDER INDIVIDUAL SET-ASIDE CONTRACTS (ISAs). Federal tax and Federal Insurance Contributions Act (FICA) apply to medical health service providers serving

under ISAs. Payments made under ISAs will be reported on a Form W-2, Wage and Tax Statement. However, disbursing offices will not withhold for state and local taxes on ISA contract payments. (TRICARE Management Activity, legal opinion dated August 2004).

1208 PAYMENTS OF FEES FOR GUEST SPEAKERS, LECTURERS, AND PANELISTS.

Payment for expenses associated with honoraria (guest speaker fees) is allowable for individuals who are not government personnel. Honoraria are ex gratia payments and are made to a speaker who has discretion concerning the content of a speech, presentation, or panel discussion on a general topic. In contrast, honoraria limitations do not restrict payment for presentation of materials under a training contract involving a program of instruction. To avoid excessive payment of honoraria, the Deputy Secretary of Defense has established a policy that honoraria amounts greater than \$2000 must be approved by the next higher organizational echelon. Such approvals shall be in accordance with the Component's established procedures.