



**Families First
Electronic Bill Payment
Phase I
Concept of Operations**

Version 8
DRAFT

**Families First Electronic Bill Payment Phase I Concept of Operations
Version 8, May 2004
Change Notification**

The following is a summary list of the major changes made to this document since version 7. This is just an overview and the reader is directed to the changed sections to view the detailed text modifications.

Throughout	<ul style="list-style-type: none"> • All references to Transportation Provider (TP) changed to Transportation Service Provider (TSP). • Made changes as per version 7 comments. Comments and responses to be distributed with CONOPS v8
Section 5 Business Rules for Phase 1 Implementation	<p>Section 5.2</p> <ul style="list-style-type: none"> ▪ Added Business Rule 2.5a for PPSO and TSP/Agents to ensure pre-approvals are captured in CWA for PowerTrack shipments ▪ Revised Sampling Methodology based on DFAS review ▪ Added DFAS OPLOC information for PSI submission ▪ Defined documents required for submission with PSI to DFAS ▪ Changed Payment Advice to CWA as EDI 810 vs. 811 and updated timing of data feed. ▪ Services Approval 5.0 p. Added business rule for reweighs
Section 6.0 Metrics	<ul style="list-style-type: none"> • Revised and added metrics to be reported
Appendix A Financial Processes	<ul style="list-style-type: none"> • Updated Process flow, regarding TGET and DBEX • Updated DFAS Automated Backend Schedule
Appendix D Hard Copy Documentation	<ul style="list-style-type: none"> • Added DFAS written opinion on the process
Appendix E Success Criteria	<ul style="list-style-type: none"> • Success Criteria added
Appendix F MOA between Services and USCG	<ul style="list-style-type: none"> • Signed Memorandum added
Appendix G Prompt Payment Procedures	<ul style="list-style-type: none"> • Placeholder pending DFAS legal review
Outstanding Items – To be updated in the next version of the CONOPS	<ul style="list-style-type: none"> • Listed are the Outstanding items <ul style="list-style-type: none"> ▪ As-is Obligation Process and To-Be business rules for Automated Backend ▪ TSP and PSI Prompt payment procedures ▪ Implementation Plan for beyond the Evaluation Period ▪ Written response from OSD(C) and GAO

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1.0 Introduction

1.1 Overview

On 7 July 1997, the Under Secretary of Defense (Comptroller) issued Management Reform Memorandum #15 (MRM #15), which requires the reengineering of the defense transportation documentation and financial processes, as part of an effort to revolutionize DoD business practices across all Services and Agencies. A major component of the MRM #15 effort is the implementation of a third party e-commerce solution: U.S. Bank's PowerTrack. MRM #15 has been implemented for DoD freight shipments, and now efforts are focused on DoD personal property shipments, which involve moving DoD service members, civilians, their families, and their belongings to posts around the world.

In June 2002, the USTRANSCOM Personal Property report was released, and USTRANSCOM issued a directive calling for work to begin on the future Personal Property program. USTRANSCOM tasked SDDC, in conjunction with the Services and Industry, to map out the DoD Families First Program by 31 August 2002. As a part of the Families First effort, SDDC has officially stated that PowerTrack will be the third-party payment system for the Families First.

To begin moving forward with the Families First, SDDC was tasked with developing a Concept of Operations (CONOPS) that would outline the implementation of an interim Phase I that would capitalize on the electronic payment of bills. On 19 December 2002, SDDC briefed their draft CONOPS for Phase I of the Families First, and achieved sign-off from the Services on the high-level concept.

A key element of SDDC's Phase I CONOPS is a new Central Web Application (CWA). The CWA will be used for accessorial authorization and for costing shipments (based on the MRT). The CWA will be built as a web front-end application and rating engine upon the TOPS History database, utilizing a portion of existing PTOPS functionality as its baseline.

1.2 Objective

The objective of Phase I is to implement the new electronic bill payment processes, in the effort to move towards the Families First. The electronic bill payment processes for Phase I will:

- Use U.S. Bank's PowerTrack as a payment tool to pay Transportation Service Providers (TSP)
- Provide information visibility for Stakeholders (PPSOs, TSPs)
- Improve the DFAS payment and collection process
- Reduce paper documentation

1.3 Scope

Phase I is to include all Service and Coast Guard installations for selected domestic and international shipments. SDDC's goal is to rollout Phase I with an evaluation period to include a limited number of participating origin and destination PPSOs and TSPs. SDDC will demonstrate to

the Services through lab testing the new process prior to rolling it out to the sites. This Evaluation Period will include a limited number of PPSO sites and volunteer TSPs. The initial rollout began in March 2004 with the full rollout to all sites beginning after the implementation of the DFAS Automated Back-End and meeting of the Success Criteria (as documented in Appendix E). The Evaluation period will not involve channels – Origin/Destination GBLOCs will be chosen for shipments moving between all the GBLOCs selected.

TSPs must be DoD-approved Transportation Service Providers that have PowerTrack agreements with U.S. Bank.

1.4 Organization of Document

The remainder of this document is organized as follows:

Section 2.0 – High-Level As-Is Procedures for Personal Property Shipments. This section presents a high-level data flow diagram of the current Personal Property payment process, along with a description of each step of the payment process.

Section 3.0 – Roles and Responsibilities for Phase I. This section presents the key organizations (stakeholders), as well as their roles and responsibilities, involved in the Personal Property electronic payment model.

Section 4.0 – CONOPS and Procedures for the Phase I Implementation. This section presents a data flow diagram of the electronic payment concept for the Families First Electronic Bill Payment Phase I target environment, along with a description of each step of the payment process.

Section 5.0 – Business Rules for the Phase I Implementation. This section contains the business rules that are specific to the Families First Electronic Bill Payment Phase I implementation.

Section 6.0 – Metrics. This section describes the metrics that will be used to evaluate the Families First Electronic Bill Payment Phase I Implementation.

Appendix A – As-Is Personal Property Payment Processes for the Services. This section contains the documented As-Is process flows and detailed descriptions for the current Personal Property payment processes for each of the Services.

Appendix B – Certifying Officer Business Rules. This section contains the detailed business rules for Certifying officer to certify the PowerTrack Summary Invoice.

Appendix C – GSA Pre-Payment Audit Approval. This section includes a letter from the General Services Administration approving this program as meeting the pre-payment audit requirements.

Appendix D – Hard Copy Documentation Process Approval. This section includes the OSD (C) and GOA opinion (placeholders) and DFAS legal review on the Hard Copy documentation random sampling methodology.

Appendix E –Success Criteria for the Evaluation Period. This details the Success Criteria that will be used to move beyond the Evaluation Period and begin full implementation to all Personal Property sites

Appendix F –Memorandum of Agreement between Military Services and US Coast Guard. This section contains the signature block of the relevant entities.

Appendix F –Prompt Payment Procedures. This details how the prompt payment act applies to the Phase I process and the automation of payment through PowerTrack.

2.0 High-Level As-Is Procedures for Personal Property Shipments

Figure 2-1 presents a high-level process flow diagram of the As-Is Personal Property payment process. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows. The steps of the current Personal Property payment process are described on the following pages. These are presented as generic steps since there is variation across the Services. (The detailed As-Is process flows and descriptions for each of the Services are contained in Appendix A.)

There are sixteen key processes within the current Personal Property payment process. These sixteen processes are:

- Rates Data Submission (0.)
- Orders Issuance (1.)
- Shipment Data Entry (2.)
- BoL Generation (3a.)
- Shipment Data Feed (3b.)
- EDI 858 to DFAS-IN, FACTS, and GSA (4.)
- Accessorial Authorization (5.)
- Invoice Submission (6.)
- Pre-Payment Audit (7.)
- Dispute Resolution (8.)
- DFAS Data Entry (9.)
- DTOD Mileage (10.)
- Transportation Service Provider Payment Approval (11.)
- Transportation Service Provider Payment (12.)
- Payment Data Feed (13.)
- Post-Payment Audit (14.)

PLEASE NOTE: Even though this is a high-level process flow and description, there are still some differences in the current payment process that will be documented in the process description on the next few pages. These process differences have to do with the DFAS-IN Personal Property payment process, particularly with regards to the DFAS-IN EDI Invoice process, but also with DFAS-IN Paper Invoice process.

3a. BoL Generation. The PPSO generates a hard copy Bill of Lading (BoL) in TOPS and provides it to the TSP. The PPSO is required to maintain a copy (electronic or hard copy) of each Bill of Lading issued, including those that are cancelled. (For the purposes of this document, BoL encompasses both domestic and international Bills of Lading)

3b. Shipment Data Feed – TOPS forwards shipment data daily to TOPS History.

4. EDI 858 to DFAS-IN, FACTS, and GSA - TOPS History receives customer and shipment data from the TOPS databases and then creates the EDI 858 transaction sets to DFAS-IN, GSA, and FACTS. The feeds are updated as new data is entered into TOPS.

5. Accessorial Approval. The TSP performs services, and prepares and submits the DD Form 619 to the Origin PPSO for authorization and the DD Form 619-1 to the Destination PPSO for authorization. The Origin and Destination PPSOs review and authorize the DD Forms 619 and 619-1 respectively, and return them to the TSP.

6. Invoice Submission. The TSP submits the hard copy Public Voucher (PV), along with the GBL, 619, 619-1, and weight ticket to the DFAS Payment Center (or similar payment center organization - e.g., TVCB-Albany and USCG FINCEN). The hard copy documentation is either sent to National Traffic Service (NTS) directly or the documents are sent to DFAS and then forwarded on to NTS. In addition to accepting Paper invoices, DFAS-IN also accepts EDI invoices from TSPs. No supporting paper documentation is sent for EDI invoices to DFAS-IN. 85% of the invoices received by DFAS-IN are EDI invoices.

7. Pre-Payment Audit. National Traffic Service, the third-party auditor for Marine Corps, Navy, Coast Guard, and for paper invoices for Army and Air Force, performs the pre-payment audit utilizing the hard copy documentation. Once the audit is complete, the hard copy documentation is forwarded/returned to DFAS. NTS does not perform pre-payment audits on DFAS-IN Army and Air Force EDI invoices. GSA has issued DFAS-IN a waiver for not having a complete pre-payment audit for EDI invoices.

8. Dispute Resolution. DFAS and TSP representatives work to resolve billing discrepancies, such as missing signatures or differing cost amounts. If a billing dispute needs to be escalated, it is raised to SDDC, and eventually to GSA if the disagreement cannot be resolved.

9. DFAS Data Entry. Upon receipt of the hard copy documentation from the TSP at DFAS, shipment data is manually entered into the DFAS payment center system. There is no manual data entry for the data that is contained in the EDI 858s and EDI invoices that are sent to DFAS-IN.

10. DTOD Mileage. Extraction of mandated distance information is used for computation of line haul and accessorial costs by DFAS.

11. Transportation Service Provider Payment Approval. DFAS reviews and certifies the invoice for payment. For DFAS-IN EDI invoices, the line haul data submitted by TOPS in the

EDI 858 is rated and matched against the line haul data submitted by the TSP. The accessorial charges are paid as billed by the TSP.

12. Transportation Service Provider Payment. DFAS makes payment to the TSP.

13. Payment Data Feed. DFAS-IN sends payment data to TOPS History.

14. Post-Payment Audit. DFAS forwards the invoice and the supporting paper documents (i.e., GBL, 619, 619-1, and Weight Ticket) to GSA. GSA will then perform a post-payment audit using the hard copy documents for Navy, Marine Corps, Coast Guard, Army, and Air Force shipments.

For DFAS-IN EDI invoices, DFAS-IN does not send hard copy documentation to GSA, since DFAS-IN is not receiving paperwork for the EDI invoices from the TSP. For the DFAS-IN Army and Air Force EDI invoices that are audited, GSA sends a request for the supporting paper documents to the TSP.

3.0 Roles and Responsibilities for Phase I

Below are the key Organizations (Stakeholders) involved in the electronic payment concept for Personal Property. Exhibit 3-1 is a high-level context diagram of the Organizations, and is followed by a description of the roles and responsibilities of these Stakeholders.

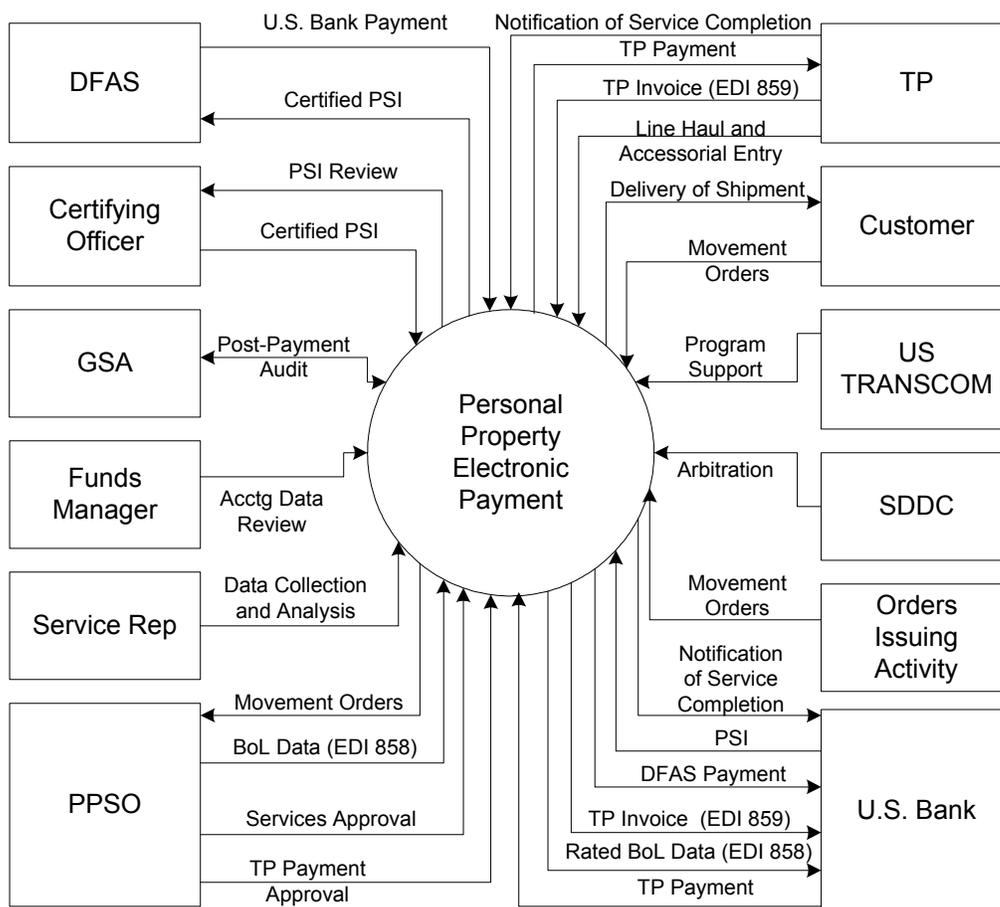


Figure 3-1: Context Diagram

The Personal Property electronic payment Stakeholders are responsible for the following functions:

- **Orders Issuing Activity:** The Orders Issuing Activity issues the movement orders to the Customer (Service Member).
- **Funds Manager:** The Funds Manager (FM) is responsible for the funds cited. The FM resolves Transportation Account Code/Line of Accounting/Movement Designator Code (TAC/LOA/MDC) disputes with Orders Issuing Activity. The FM ensures sufficient funding levels that permit timely payment of the PowerTrack Summary Invoice (PSI) (formerly known as the Monthly Billing Statement (MBS)).

- **Service Representative:** Each participating Service will have a representative on the Phase I Implementation Team. Each representative is responsible for Service-specific issue resolution, implementation coordination, and analysis of the Phase I effort. In addition, each Service Representative will work with the Implementation Team to make recommendations based on issues identified during the implementation efforts.
- **Personal Property Shipping Office (PPSO):** The PPSO is responsible for receiving and processing movement orders using the Personal Property shipping system (TOPS). The PPSO provides a Bill of Lading to the TSP/agent. The PPSO will resolve billing disputes with TSP. In addition, the PPSO uses the Personal Property Central Web Application to approve invoices and generate an EDI 858 containing the line haul and accessorial data, which is then rated and sent to PowerTrack. The PPSO is also responsible for approving TSP payment in PowerTrack, if necessary.
- **Transportation Service Provider:** The TSP performs required services at Origin and Destination, picks up the shipment, transports it to its destination, and provides destination delivery services. The TSP will submit an EDI 859 invoice, along with Notification of Service Completion (NOSC), or by using the web interface. The TSP will be responsible for entering all accessorial services to include packing materials, weights, actual pickup date, actual delivery date to/from residence origin, destination or storage in transit (SIT) facility. The TSP receives payment from U.S. Bank and, as needed, works with the PPSO to process any credit adjustments via PowerTrack.
- **U.S. Bank:** U.S. Bank is responsible for issuing payment to TSPs based on the charges that are either automatically or manually approved by the PPSO in PowerTrack. U.S. Bank also generates a PowerTrack Summary Invoice (PSI) that is provided to the PPSO of record for approval and payment. U.S. Bank subsequently receives reimbursement from DFAS.
- **Certifying Officer (CO):** The CO, who is designated/appointed by the appropriate Service or Coast Guard authority, is responsible for certifying the PowerTrack PSI. The CO is a U.S. Government employee who does not disburse U.S. Government funds. The CO prints out the PSI created by U.S. Bank and certifies the charges. After reviewing and signing the statement, the CO submits the certified statement to DFAS for payment to U.S. Bank. Once the electronic process is in place, the CO will certify electronically for FA2 LOAs and print the hard copy PSI with text LOAs.
- **Defense Finance and Accounting Service (DFAS):** As the disbursement agency, DFAS receives the certified PSIs from the CO and processes the payments to U.S. Bank.
- **SDDC:** SDDC is responsible for monitoring the accuracy of CWA's rating engine for personal property shipments using rates maintained in the Personal Property shipping system (TOPS), and administering the DoD Personal Property Shipment and Storage Programs as directed by USTRANSCOM. SDDC will also assist the Services and TSPs in the resolution of disputed charges.

- **USTRANSCOM:** USTRANSCOM provides program oversight, regulatory, and statutory support. USTRANSCOM has oversight of the Personal Property/PowerTrack Phase I effort and provides program support.
- **General Services Administration (GSA):** GSA is responsible for overseeing the pre-payment audit, performing the post-payment audits and conducting administrative reviews.
- **Customer:** The Customer (Service Member) receives the movement orders from the Orders Issuing Activity, which results in the Customer bringing the orders to the origin PPSO. The customer will sign documents as required.

4.0 CONOPS and Procedures for the Phase I Implementation

Figure 4-1 presents a step-by-step process flow diagram of the Families First Electronic Bill Payment Phase I process. The diagram depicts the participating organizations as rectangles, processes as ovals, and the lines between them as data and information flows. Each step of the Phase I process is described on the following pages.

There are twenty-two key processes within the process. These processes are:

- Solicitation Rate Data (0.)
- Orders Issuance (1.)
- Customer and Shipment Data Entry (2.1)
- Electronic Customer and Shipment Data Feed (2.2)
- BoL Access (2.3)
- Pre-Move Survey (2.4)
- Pre-Approval Request (2.5a)
- Entry and Pre-Approval of Services (2.5b)
- Invoice Submission/NOSC Entry (3.)
- EDI 859 Submission from PowerTrack (4.)
- Services Approval (5.1)
- Status Review (5.2)
- DTOD Mileage (6.1)
- Rating (6.2)
- EDI 858 Submission from CWA (7.)
- Transportation Service Provider Payment Approval (8.)
- Transportation Service Provider Payment (9.)
- Payment Data Feed (10.1)
- Feed to FACTS (10.2)
- PSI Certification (11.)
- U.S. Bank Payment (12.)
- Post-Payment Audit Data Retrieval (13.)

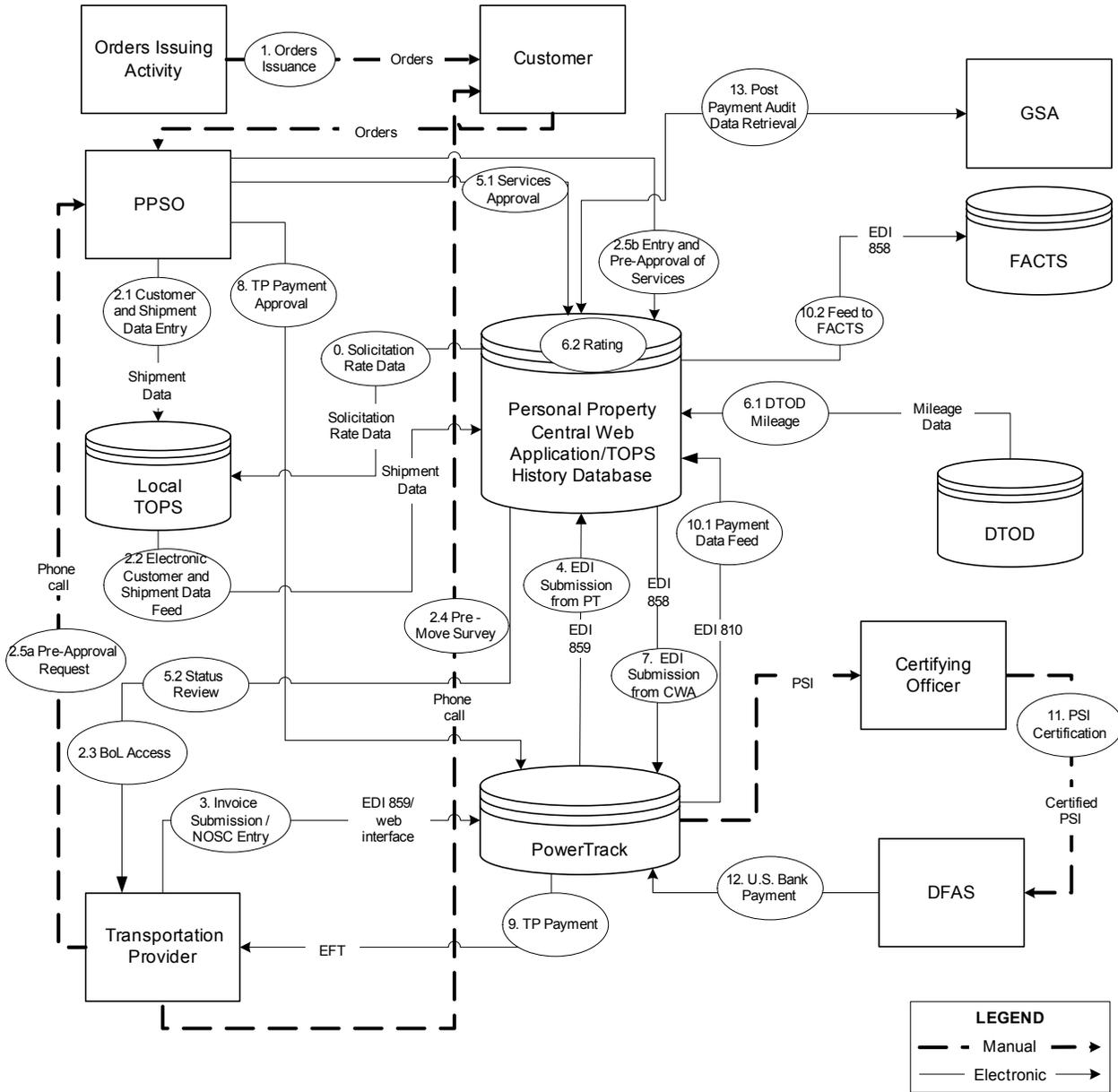


Figure 4-1: Proposed Phase I Process

0. Solicitation Rate Data. Military solicitation rate data is exported from TOPS History into the Personal Property Central Web Application/Database (known as CWA), as well as the Local TOPS sites.

1. Orders Issuance. The Orders Issuing Activity prepares the orders, and that activity’s funds management office makes sure that the proper accounting data (e.g., LOA, TAC, MDC) is entered on the Transfer Orders Document. The orders are given to the Customer, who then provides them to the PPSO.

2.1 Customer and Shipment Data Entry. The Customer presents the orders to the Personal Property Shipping Office (PPSO) and shipment data is entered into Local TOPS. A copy of the BoL is printed and given to the TSP/Agent.

2.2 Electronic Customer and Shipment Data Feed. This is the data that is produced by the TOPS application, which is transmitted to the CWA. (The transmission from TOPS is triggered by the PPSO printing the BoL.)

2.3 BoL Access. The TSP or other organizations such as GSA will be able to print out a BoL from CWA via the web.

2.4 Pre-Move Survey. TSP performs pre-move survey and identifies accessorial services requiring pre-approval (i.e., approved by PPSO before TSP performs services).

2.5a Pre-Approval Request. TSP/Agent will request pre-approval via telephone, fax or email.

2.5b Entry and Pre-Approval of Services. PPSO will enter services into CWA and provide pre-approval verbally and electronically.

3. Invoice Submission/NOSC Entry. After delivery to SIT or residence, the TSP submits invoice for services provided to PowerTrack, along with Notice of Service Completion (NOSC) indicating the transit status, for line haul and accessorial services. The invoice and NOSC can be submitted either electronically in an EDI 859 or manually via the PowerTrack web interface.

The TSP will provide the weight tickets to the PPSO within seven days of pickup and maintain copies of all supporting documents for audit and dispute purposes. All other documents such as the annotated GBL, inventory and signed 619 will be requested by a random sample for PPSO review.

4. EDI 859 Submission from PowerTrack. PowerTrack sends the information from the invoice needed for rating to CWA along with a unique PowerTrack assigned line-item identifier.

5.1 Services Approval. Origin and Destination PPSOs will approve, deny or place in dispute the requested services (line haul and accessorials) in the CWA. A denied status is given when the PPSO does not agree with the item submitted for payment; whereas an item placed in dispute means that the PPSO is not in agreement with the quantities submitted. The TSP and PPSO MUST manage any dispute resolution in the CWA, as both Origin and Destination PPSOs have visibility of the line-items submitted for approval. The Destination PPSO does not have visibility in PowerTrack. The steps for hard copy documentation sampling are detailed in section 5.2 business rules

5.2 Status Review. TSPs can review approval status of services via the web interface of CWA. If a line-item has a status of In Dispute, the TSP can adjust the quantity for the PPSO to review and approve.

6.1 DTOD Mileage. CWA will transmit the From and To location information to DTOD, and DTOD will return the number of miles between the From and To location points.

6.2 Rating. Once all services on the invoice are approved or denied, the CWA will rate all line-items, and assign a quantity of zero and cost of zero dollars for denied services.

7. EDI 858 Submission from CWA. CWA feeds an EDI 858 containing data for rated line haul and accessorial services, and denied services (with a quantity of zero and zero dollars) to PowerTrack.

8. Transportation Service Provider Payment Approval.

PowerTrack compares the TSP cost data against the CWA cost data using the Matching Model with multiple invoices per BoL. PowerTrack will “match” data for each invoice at the line-item level. The Shipper side of the transaction will establish the maximum total dollar amount that can be paid to the TSP for an invoice.

If there are services submitted for each side, the Shipper and TSP must match costs within a predetermined tolerance on the line-item total. PowerTrack will flag the invoice on which the line-item costs are not within tolerance as an “**Audit Exception**”. If all the invoice line-item dollar amounts are equal (or within the tolerance) to the Shipper side, the invoice will be automatically approved for payment.

If an audit exception exists, the TSP will adjust their cost to match the PPSO data and once the cost has been updated and matched, the transaction will automatically be approved. TSPs using EDI 859 for invoice submission will have the option to resubmit a corrected 859 with updated quantities and/or rates or use the web interface to make their adjustments.

PowerTrack also checks whether the total cost of the invoice is less than a pre-determined maximum price threshold. The purpose of this threshold is to flag shipments, whose costs are at, or above, the high-end of the cost curve, for further review prior to approval for payment.

If the line-item costs are within the established tolerance, and the total invoice cost is less than the maximum established threshold, PowerTrack automatically “**Approves**” payment of the TSP invoice. If the total cost is above the maximum threshold, PowerTrack flags the invoice as being in “**Approval Required**” status. The PPSO then must manually approve the invoice for payment on PowerTrack.

Examples of Auto Approval/Audit Exception under Line-Item Matching

Line Haul (LH) and Accessorial Line-Item Tolerance is +/- \$10 (value is purely for example) And Invoice Threshold is <= \$1,500 (value is purely for example)

Example #1:

Government Cost = \$1,290

LH = \$1,000

Accessorial A = \$200

Accessorial B = \$90

TSP Cost = \$1,301
LH = \$1,000
Accessorial A = \$205
Accessorial B = \$96
Total cost < \$1,500
AND Cost difference on individual line-items < \$10
PowerTrack will Approve for Payment

Example #2:
Government Cost = \$1,290
LH = \$1,000
Accessorial A = \$200
Accessorial B = \$90
TSP Cost = \$1,307
LH = \$1,000
Accessorial A = \$211
Accessorial B = \$96
Total cost < \$1,500
BUT Cost difference on Accessorial A > \$10
PowerTrack will place transaction in Audit Exception

9. Transportation Service Provider Payment. As invoices are approved for payment, and as long as an NOSC has been submitted by the TSP, U.S. Bank makes payment to the TSP.

10.1 Payment Data Feed. PowerTrack feeds actual payment data on each line-item to the Personal Property Central Web Application.

10.2 Feed to FACTS. The Personal Property Central Web Application feeds the EDI 858 to FACTS.

11. PowerTrack Summary Invoice (PSI) Certification. The PSI is printed out, reviewed, and certified by the Certifying Officer. The Certifying Officer sends the certified PSI to DFAS.

12. U.S. Bank Payment. DFAS pays U.S. Bank the amount on the certified PSI.

13. Post-Payment Audit Data Retrieval. GSA will conduct post-payment audits, using invoice data from PowerTrack and data on authorized services and weights from the CWA. GSA reserves the right to request hard copy supporting documentation from the TSP to conduct post-payment audits.

5.0 Business Rules for the Phase I Implementation

This section presents the business rules that were discussed with the Stakeholders, including the military services and the TSP industry of the Phase I implementation. The business rules will be subject to changes and enhancements throughout the implementation.

Section 5.1 describes the PowerTrack payment model that will be used for Personal Property invoice payment. Knowledge of this model is helpful in understanding the business rules that are described in the following sections.

Section 5.2 summarizes the business rules for the key processes that were identified in Section 4.0. These processes are repeated below.

- Solicitation Rate Data (0.)
- Orders Issuance (1.)
- Customer and Shipment Data Entry (2.1.)
- Electronic Customer and Shipment Data Feed (2.2.)
- BoL Access (2.3.)
- Pre-Move Survey (2.4)
- Pre-Approval Request (2.5a)
- Entry and Pre-Approval of Services (2.5b)
- Invoice Submission/NOSC Entry (3.)
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- Transportation Service Provider Payment (9.)
- Payment Data Feed (10.1.)
- Feed to FACTS (10.2.)
- PSI Certification (11.)
- U.S. Bank Payment (12.)
- Post-Payment Audit Data Retrieval (13.)

5.1 PowerTrack Payment Model for Personal Property

The PowerTrack business process model for Phase I is the Line Item Matching Model.

Matching Model with Multiple Invoices per Bill of Lading: Both Shipper and TSP submit shipment price data to PowerTrack. The Shipper's transaction data will be submitted via multiple EDI 858 transaction sets from the Central Web Application (CWA). The TSP may submit his invoices via EDI 859s or manual submission through the PowerTrack web interface. PowerTrack will assign a unique line item identifier to each line item in the TSP invoice and send this amended EDI 859 invoice to CWA for approval and rating. The rated Shipper side of the transaction, sent back to PowerTrack via EDI 858, will establish the maximum line item dollar amounts that can be paid to a TSP for each invoice. The total dollar amount paid for each BoL will increase with each additional invoice submitted and paid.

While payment in PowerTrack is at the invoice level, matching will occur at the line item level. What this means is that, for each invoice, PowerTrack will compare each line item and dollar amount against the line item and dollar amount on the shipper's invoice for that BoL. If either the line item cannot find its corresponding match or the dollar amounts for matched line items are not equal (or within tolerance), the invoice will be go into Audit Exception status. If all line items and costs match on an invoice, the invoice will be automatically approved for payment. As payment is on an invoice basis, a BoL with a 1st invoice in a status of Approval Required or Audit Exception will allow for a 2nd invoice to match and pay.

5.2 Key Process Business Rules

- **Orders Issuance (1.0)**

- a. The order issuing process will remain unchanged for the Phase I implementation.
- b. The appropriate orders issuing activity (e.g. personnel office) prepares the Transfer Orders Document.
- c. The orders issuing activity determines the correct appropriation data (e.g. LOA, TAC, MDC) to assign to the orders. If necessary, the orders issuing activity will confer with the appropriate funds manager to make sure that the correct data is entered onto the Transfer Orders Document.
- d. The Transfer Orders Document is provided to the Customer, who then provides it to the Personal Property Shipping Office (PPSO).

- **Customer and Shipment Data Entry (2.1)**

- a. As part of the process of counseling the Customer regarding their entitlement and shipping options, the PPSO will enter the Customer's data into TOPS for all shipments processed by

- TOPS. The PPSO will also enter the accounting information from the customer's orders, (the exact data varies by Service).
- b. TOPS does not capture the Standard Document Number (SDN) that may appear on a customer's orders (The SDN is critical for particular Services in order for the liquidation of the correct fund cite to occur). The PPSO therefore must enter this information into the CWA web interface once the BoL information is made available by the printing of the BoL in local TOPS, sending it onto CWA.
 - c. The weight ticket information must be entered into Local TOPS by the PPSO. The TSP, as per the DTR, has to provide this required document within 7 days of pickup. The entry of this information triggers a number of significant actions in TOPS History inclusive of the population of the weights into CWA.
 - d. PPSO will enter in TOPS the proper Origin PPSO and Destination PPSO GBLOCs for the shipment. The GBLOC is used to identify the site in the CWA. If the wrong identifiers are used, the wrong PPSOs will be assigned to view the shipment in CWA.
 - e. When notified of a diversion, the Origin PPSO will change the final Destination location in CWA in order for the correct destination PPSO to be associated with the destination services. TOPS does not feed TOPS History/CWA with diversion updates. SDDC will oversee shipments that are diverted during the Evaluation Phase to non-participating sites. If the new destination location is a non-participating Evaluation site, the origin location must manage the approvals in CWA, in conjunction, with verbal communication to the diverted destination.
 - f. The "Bill To:" field on the BoL must contain "US_Bank_PowerTrack" to identify PowerTrack shipments. This process will be automated in Local TOPS.
 - g. Phase I will include participating Service and Coast Guard Sites for Codes 1-8, T, and J shipments. With Code 5, T, and J shipments, the portion transported by the TSP will be paid by PowerTrack, while the portion transported by AMC/MSC will be paid as it is today in the current Personal Property program.
 - h. Any shipment that moves on a PPBoL or PPGBL will be a part of Phase I, with the exception of:
 - ❑ Non-Temporary Storage
 - ❑ Shipments moved under local contracts (e.g., delivery out of SIT after conversion to customer expense)
 - ❑ Direct Procurement Method
 - ❑ Personally Procured Moves
 - ❑ Special Solicitations (e.g., shipments to Kuwait, Cairo, Thailand, etc.)
 - ❑ Shipments moved under Privately Owned Vehicle (POV) contracts

- i. The PPSO will use TOPS to select a TSP and book the shipment. TSP selection will remain unchanged with the rollout of Phase I.
 - j. If a One-Time-Only rate tender is required, SDDC-HQ will solicit for appropriate single factor rate (SFR) tenders from TSPs. SDDC-HQ will select a SFR and award the shipment to the TSP who submitted it. The SFR will be entered into TOPS to be passed onto CWA for rating purposes.
- **Electronic Customer and Shipment Data Feed (2.2)**
 - a. The PPSO will print the BoL document and provide a copy to the agent or TSP as is done in the current program. This triggers the feed of data from Local TOPS to TOPS History and CWA. The printing of the BoL needs to be completed immediately after booking to ensure that the data will be in CWA by the time the Pre-Move Survey is completed.
- **BoL Access (2.3)**
 - a. Once the data is in the CWA the TSP will be able to print additional copies of the BoL from the CWA.
 - b. Other organizations with read-only access to CWA will have the ability to print copies of the BoL data (e.g. GSA, DFAS)
- **Pre-Move Survey (2.4)**
 - a. The TSP will contact the customer to complete the Pre-Move Survey and identify accessorial services that will require PPSO pre-approval.
- **Pre-Approval Request (2.5a)**
 - a. The TSP/Agent will call or fax the PPSO to receive pre-approval to perform the services.
 - b. The TSPs/Agents and PPSO will need to identify whether or not the shipment is a PowerTrack transaction vs. DFAS etc., in order to capture the pre-approvals for PowerTrack payments in CWA.
- **Entry and Pre-Approval of Services (2.5b)**
 - a. The PPSO will enter the services for which pre-approval was requested by telephone or fax into the CWA Pre-Approval screens at the time of the Pre-Approval Request. The PPSO must enter both the approved and denied services for reference.
- **Invoice Submission/NOSC Entry (3.0)**
 - a. Once a shipment has been picked up and delivered to SIT or Destination, the TSP will submit an invoice for the services performed and requiring payment through PowerTrack.
 - b. The TSP will submit shipment transit status (i.e. delivered to SIT, delivered to Destination) and rated invoice data to PowerTrack via an EDI 859 transaction set (preferred), or via the PowerTrack web interface.

- c. The invoice must contain the unique BoL for that shipment and the TSP assigned invoice number. The services on the invoice will include line haul and all the accessorial including storage in transit data (if applicable), number of boxes, packing/unpacking labor, surcharges such as fuel and bunker surcharges, etc.
 - d. The TSP must report notification of service completion (NOSC) of the shipment to PowerTrack before the payment can be made.
 - e. Each service line item will indicate whether it is an Origin or Destination service. This will be used to help CWA identify which PPSO can approve or deny line items in process 5.0.
 - f. All documentation must be maintained by the TSP, so copies (or originals if requested) can be provided to GSA. GSA reserves the right to request documentation directly from the TSP.
 - g. When an item is billed solely or partially by weight, the TSP will submit to PowerTrack (either via the web interface or the EDI 859) the Billed weight, as well as the Actual Net weight (for household goods shipments) or the Actual Gross weight for baggage shipments, as applicable.
 - h. For TSPs using an EDI 859 transaction set to invoice into PowerTrack, receipt and error notification will be in the form of a 997 for acknowledging receipt and/or rejecting for syntax errors, and an 824 report on the PowerTrack web site will identify errors from CWA besides syntax.
 - i. TSPs have the choice of submitting more than one invoice against a single BoL. Each invoice must reference the BoL number and have a unique invoice number.
- **EDI 859 Submission from PowerTrack (4.0)**
 - a. PowerTrack will assign a unique identifier known as the LineIDC for each line item submitted on the TSP's invoice and create an EDI 859 to be sent to CWA. If the TSP submitted an EDI 859 to PowerTrack, PowerTrack will insert its LineIDC into the 859. This same identifier will be used by CWA. This identifier is critical in the line item matching process and will allow for the same item codes with different quantities (such as Third party Services, TSPS) to match and pay successfully on an invoice
 - **Services Approval (5.0)**
 - a. The Origin PPSO of record and Destination PPSO(s) of record (from TOPS) will have access to the shipment data in the CWA.
 - b. With the exception of certain services which are automatically approved (e.g. bunker surcharges, fuel surcharges, SIT valuation etc.) whenever a service line item is created in the CWA it will be assigned an approval status of Pending.

- c. When a PPSO logs on to the CWA they will be able to view a list of all shipments for which they are either an Origin or Destination PPSO, and for which there is at least one service line item with an approval status of Pending. The PPSO will view the list of services that have been submitted by the TSP. The PPSO will be able to filter the view by approval status to show only Approved, only Denied, only In Dispute, only Updated or only Pending service line items.

- d. The CWA will notify the appropriate PPSO via email twice daily that items exist in CWA requiring their approval. The PPSO has 3 GBDs in which to assign a status of Approved, In Dispute, or Denied to items within an invoice.

- e. Of the invoices for PPSO action in CWA, a random sample will be subject to documentation request for PPSO review before approval of the invoice can take place. The sampling methodology and rules are contained below:

Personal Property Statistical Sampling Methodology for Documentation Review

General

The Phase I of the Families First program for Personal Property will encompass Electronic Data Interchange (EDI) invoices from the Transportation Service Provider (TSP) via the authorized payment system PowerTrack to the Personal Property Shipping System, Central Web Application (CWA). The invoices in CWA will be approved or denied by the Transportation Officer (TO)/Personal Property Shipping Office (PPSO) rated in CWA and sent via EDI 858 to PowerTrack for payment to the TSP. Every invoice paid in PowerTrack will have been approved by the TO and rated by the government shipper system, CWA. GSA has certified that the internal controls of the CWA meet its prepayment audit requirements. An overall guideline for the administrative examination of disbursement vouchers is set forth in Title 7 of the General Accounting Office (GAO) Policy and Procedures Manual.

The GAO/AIMD-21.3.2 “Streamlining the Payment Process While Maintaining Effective Internal Control p. 15, indicates that “with full automation [which includes electronic signature], statistical sampling of invoices prior to payment to make inferences about the universe would no longer be necessary since the system would perform a 100-percent verification of receipt and acceptance. Statistical sampling would only be needed for monitoring the system operations through periodic testing”. Therefore, until the service member’s signature is captured electronically for Personal Property, statistical sampling of supporting documentation will be conducted prior to payment of invoices.

In view of this, the following outlines the procedure for statistical sampling during Phase I of the Families First initiative. This methodology is developed for pre-payment examination and is similarly based on the OSD(C) and GSA approved Certifying Officer sampling verification for certifying the PowerTrack Summary Invoice referenced in the DODFMR volume 5, chapter 33 for post payment examination. It has been modified for TO/PPSO daily pre-payment invoice approval process in CWA.

This statistical sampling procedure will be used by the TO/PPSO to request additional documentation such as the 619, 619-1, inventory and annotated GBL from the TSP for the invoices that are Pending CWA approval. All weight tickets will continue to be submitted to the PPSO within 7 days of shipment pickup.

The TO must review those CWA invoices identified in these procedures for pre-Transportation Service Provider (TSP) payment statistical sampling and verify the correctness of the invoice. The sampled invoices must be accurate or the TO must deny (the service billed was not performed) or dispute (the quantities billed are inaccurate and must be changed by the TSP) the items on the invoice for payment. The TO is not required to review the invoices not specified in these rules, but should review any known discrepancies or erroneous invoices to ensure the appropriateness of payment and the safeguarding of DOD funds.

The results of the sampled invoices will also provide management officials with trends regarding the types and frequency of discrepancies found on these invoices.

Preparing to Select Transactions for Review

Before selecting the sample, a reasonable estimate must be obtained of the number of CWA invoices expected to be processed for the current month. Sources of this estimate would be past data. The purpose of this estimate is to determine the sample size and sample selection criteria. All CWA invoices are subject to review through this random selection processes, regardless of category or dollar value.

Statistical Sampling Plan

The Evaluation Period of Phase I includes a limited number of volunteer TO sites and Transportation Service Providers with an estimated volume of 300 Bills of Lading (BoLs) per month. The Phase I post payment review (conducted by GSA) will encompass 100% of invoices processed. The targeted sample size will be 100 invoices per month. The initial sample size generally may be established at a higher probability and precision level than are normally required after the process has been in place for a period of time. Therefore, as additional sites and Transportation Service Providers are added, the sample size will be smaller in proportion to the total population size.

A systematic method will be used to select the CWA invoices for review. The Sampling chart provides the approximate sample size based upon the estimated total number of invoices for the given month. Once the TO is alerted by CWA of items pending approval in CWA, the TO will use the methodology to determine which invoices will require additional documentation review. For example, if the TO estimates that approximately 50 CWA invoices will be processed for the day, the sample size will be approximately 5. The sampling interval would be 11, in this case.

A random start number from 1 to 11 would be selected, say 3 for example. Starting with the 3rd invoice, every 11th invoice would be selected (e.g., 3, 14, 25, etc.) until the entire population had been exhausted and the total sample achieved. Note that the actual sample

size may vary from the estimate. Once a sampling interval is selected, do not change the size of the sampling interval. At the start of a new month, a different sampling interval may be used based on revisions to the estimated monthly population sizes.

The CWA will eventually be programmed to accommodate the targeted monthly sample. Until the CWA is programmed to statistically sample invoices for documentation review, the manual process to randomly sample the invoices pending approval in CWA should be followed, as documented below.

Sampling Chart

Targeted Sample Size=100

Daily Estimated CWA Invoices Pending TO Approval	Est. Sampling Interval	Est. Sample Size	Monthly Est. Sample size (based on 20 work days)
5	2	3	50
10	3	3	67
15	4	4	75
20	5	4	80
25	6	4	83
30	7	4	86
35	8	4	88
40	9	4	89
45	10	5	90
50	11	5	91
55	12	5	92
60	13	5	92
65	14	5	93
70	15	5	93
75	16	5	94
80	17	5	94
90	18	5	100
95	19	5	100

The PPSO/TO will maintain a checklist of BoL/Invoice Numbers that have been reviewed for documentation. In the case when multiple invoices occur for a given Bill of Lading, those supplemental invoices for a BoL that has been sampled previously should not be included for additional documentation requests to the TSPs. The documentation for previously sampled invoices should remain on hand at the PPSO for additional review, if necessary. This interim sampling plan will be reviewed after the process has been in place for three to four months, and adjusted or amended, as needed, to reflect the most recent population and sample error trends.

CWA PPSO Checklist					
Sampled Invoices for Documentation Review DD-MM-YY					
BOL	Invoice	SCAC	Documentation	Notes from	Action Taken

Number	Number		Requested	review	
			e.g. 619, inventory etc		e.g. Approved items in CWA

This checklist must be maintained at the PPSO and made available to the Certifying Officer responsible for post-payment certification of the respective monthly PowerTrack Summary Invoice statement. Monthly reports summarizing results of the pre payment reviews will be prepared by the Transportation Office and forwarded to applicable responsible parties. These reports will include, at a minimum, (1) the population size, (2) number of invoices randomly selected and reviewed, (3) number of invoices with errors (returned for correction or supplemental information), (4) reasons for rejected invoices and (5) recommendation to alleviate or reduce future similar rejected invoices.

- f. Some Transportation Service Providers have offered web access to all their documentation, enabling the PPSO to retrieve and download pertinent documents. When this is the case, the link to the web documents will be posted in the CWA invoice, in the TSP header notes. The PPSO should click on the TSP header notes, click on the embedded URL to see all pertinent documentation. All other TSPs will provide documents upon request via email or fax.

- g. The appropriate PPSO reviews the line items that still have a status of Pending and assigns one of the following approval statuses based on the following criteria:
 - ❑ **Approved:** PPSO agrees that the services were requested and performed, and they agree with the quantities.
 - ❑ **Denied:** PPSO disagrees that the services were requested and performed. The PPSO must enter a reason in the Notes field for denied line items.
 - ❑ **In Dispute:** PPSO agrees that the services were requested and performed, but disagrees with the quantities. The PPSO must enter a reason in the Notes field for disputed line items. For example: if the invoice is randomly sampled for documentation the PPSO may dispute an item on the invoice with the note of awaiting documentation from the TSP. Once the documentation has been sent to the PPSO, The TSP should update the item notes as such. Then, the PPSO can approve or deny the updated item based on the documentation received.

- h. TSPs will have access to a downloadable report, which lists the approval status of services submitted to CWA. The status will show all services approved, denied, in dispute or pending action.

- i. TSPs will have the ability to view the status of line items via the CWA web interface. If an item is In Dispute, the TSP can adjust their quantities. If the quantity is changed, the status will be changed from In Dispute to Updated. CWA will alert the PPSO via email of items

that have been Updated by the TSP and requiring PPSO approval. TSPs will not be able to modify the quantity of service items that have a status of Approved or Denied.

- j. If it is determined that the TSP is entitled to payment of a Denied item before the invoice is rated and sent to PowerTrack, the PPSO will change the status to Approved. If the invoice has already been rated and locked from further changes, the TSP may include that item on a supplemental invoice through PowerTrack.
 - k. All Disputes must be resolved in CWA as the destination PPSO does not have visibility in PowerTrack and therefore no approval authority in PowerTrack.
 - l. PPSOs will not change the quantities or rates in PowerTrack unless it is determined that CWA incorrectly rated a line item. Therefore, if a dispute is not resolved in CWA, TSPs must use supplemental invoices.
 - m. Use of Ebills will be minimal in Phase 1 as TSPs are encouraged to submit supplemental invoices for additional items not paid on the original invoice. This is done so that the destination PPSO will have visibility and approval authority of the charges in CWA.
 - n. If a TSP owes the Government a refund, a negative supplemental invoice can be submitted through PowerTrack for repayments to the Government. For example: Reweighs. If a reweigh weight is input by the TOPS update to CWA or directly into CWA by the PPSO prior to 858 submission to PowerTrack, will update the weight related fields with the reweigh weight and calculate accordingly.
 - o. CWA will notify PPSOs of “services waiting approval” older than 3 GBD via email. An aging report will be available for the military Services to determine the average number of days for “services awaiting approval” by PPSOs.
 - p. If a reweigh occurs that is lower than the original weight ticket, the TOPS entered weight will be reflected in CWA. If the TSP invoice is already received (but not approved) in CWA, when the reweigh weight is entered into TOPS or CWA, the CWA will recalculate all the cost associated with weight.
 - q. TSP may bill for the reweigh fee of \$50 at any point after the reweigh, the PPSO must determine if the TSP is entitled to the fee.
- **DTOD Mileage (6.1)**
 - a. For service line items which require the number of miles (e.g. Line Haul, Delivery out of SIT, etc.), CWA will transmit the location information associated with the From and To locations to DTOD, and DTOD will return the number of miles between the From and To locations for reference purposes.
 - b. If a PPSO disagrees with the Origin or Destination location submitted by a TSP, they will mark as Denied.

- c. If the PPSO disagrees with the mileage submitted by the TSP, it will be marked as In Dispute with Notes until the TSP updates the mileage.
- **Rating (6.2)**
 - a. Once the PPSO has marked all items on an invoice as Approved or Denied, it will be ready to be rated by CWA.
 - b. Denied line items will be assigned a quantity of zero and a cost of zero. Both approved and denied line items will be sent in the 858 back to PowerTrack.
 - c. CWA will use the quantities and location information associated with each service line item to calculate the correct cost of each service line item in accordance with the rates on file for the TSP of record.
 - d. If a line item is approved by the PPSO, and the CWA in trying to rate it determines that it cannot be rated:
 - ❑ CWA assigns a status of Denied and a quantity and cost of zero
 - ❑ CWA adds text to the Notes field indicating it was denied for lack of information

- **EDI 858 Submission from CWA (7.0)**

- a. CWA feeds an EDI 858 containing data for rated (approved and denied) line items to PowerTrack
- b. The EDI 858 will reference the BoL number as the key field along with the LineIDC, and the invoice number sent in the EDI 859 from PowerTrack
- c. The initial 858 sent from CWA for a given BoL will be sent as an Original 858. As new services are approved and rated, subsequent 858s will be sent as incremental update 858s. If a diversion or reweigh occurs, the 858 will be flagged so that the header level information such as addresses and weights can be updated

- **Transportation Service Provider Payment Approval (8.0)**

- 1. **Payment Requirements**

- a. PPSOs can assign each individual PowerTrack user within an office a different maximum dollar amount for TSP payment approval. If the BoL price on a shipment exceeds a user's maximum, that user will not be able to approve TSP payment.
- b. The TSP payment process cannot begin until the Shipper and TSP portions of the transaction have been matched by the unique BoL, SCAC and Invoice Number combination. The event to confirm that services have been performed will be the receipt of the TSP's notification of

service completion. Actual TSP payment will be based on the services provided under the BoL. PPSOs should not approve invoices in PowerTrack in a status other than Approval Required.

2. Automatic Approval of Payment

- a. One of the advantages of PowerTrack is that invoices can be automatically approved for TSP payment if they meet certain criteria.
- b. Once the rated shipper's invoice is received in PowerTrack, it is the TSP's responsibility to update quantities or costs in PowerTrack to match the data submitted from CWA.
- c. If the quantity of an item was changed or denied in CWA, the TSP must edit his invoice in PowerTrack or the transaction will be placed in Audit Exception. For denied line items, TSPs must change that item cost and quantity to zero for it to match in PowerTrack. Once the items and costs match, the invoice will automatically be approved if its total cost falls below the predetermined maximum threshold.
- d. The PowerTrack Business Rule Set capability will be used to describe the conditions under which automated TSP payment approval will occur. Even if an invoice has been approved, the TSP payment process cannot begin until there is confirmation (NOSC) in PowerTrack that services have been performed. Transactions that fall outside the bounds of the Business Rules for automated approval must be approved manually.
- e. HQ SDDC, with Service Headquarters approval, will establish DoD's policy for automated TSP payment approval using PowerTrack's matching model. This policy will be encoded into the DoD Business Rule Set within PowerTrack and all organizations will use this Business Rule Set as the basis for processing transactions.

3. Manual Approval of Payment

- a. The Origin PPSO must approve for payment the amount they determine the government is responsible to pay.
- b. The Origin PPSO must work with the Destination PPSO to correctly approve invoices for payment as only the Origin PPSO has access to the transactions in PowerTrack.
- f. Origin PPSOs must log on each workday to PowerTrack to review transactions that have a Financial Status of:
 - Audit Exception - where the PPSO must review to determine if there are CWA rating errors requiring a manual fix of the line item or if an action is required by the TSP
 - Approval Required - where the maximum threshold is below the total cost of the invoice and manual approval is required by the PPSO

- Hold – where the PPSO has placed an invoice on hold requesting further information on the charges
 - c. For transactions in a status of Approval Required, the PPSO must take one of the following actions within 3 government business days after notification of service completion:
 - Approve the payment
 - Place on hold and request additional information from the TSP, using the Notes section of the transaction
 - Deny payment and record reason in the Notes Section of the transaction.
 - d. Once a response is received on a hold, the Origin PPSO that placed the hold has 3 government business days to approve or deny.
 - e. If an invoice matches on cost but is above the predetermined threshold it will be placed in a status of Approval Required. The Origin PPSO must manually approve these transactions within 3 GBDs.
- **Transportation Service Provider Payment (9.0)**
 - a. US Bank will not pay the TSP until notification of service completion and PPSO approval (either automatic or manual) are received. U.S. Bank will pay the TSP after the PPSO approves the invoice for payment, removes an invoice from hold status, or resolves an eBill. The TSP payment approval process outlines the actions that Origin PPSOs should use to approve transactions.
 - b. U.S. Bank pays TSP by submitting an EDI 820 remittance to the TSP system and an electronic Funds Transfer (EFT) to the TSP bank.
- **Payment Data Feed (10.1)**
 - a. PowerTrack feeds payment data to the Personal Property Central Web Application using an EDI 810 transaction set. This data will be sent monthly at the time of the PSI generation due to the ability to change LOAs in PowerTrack up until PSI generation.
 - b. The EDI 810 will list the all line items and the corresponding dollar amounts for each invoice. It will also include the LOA/TAC/MDC and obligation data assigned to each service line item.
- **Feed to FACTS (10.2)**
 - a. The Personal Property Central Web Application feeds the EDI 858 to FACTS.
- **PowerTrack Summary Invoice (PSI) Certification (11.0)**
 - a. Procedures for the Prompt Payment Act and the responsibilities for certifying officers, accountable officials, and review officials are contained in DODFMR, Volume 5, Chapter 33, Accountable Officials and Certifying Officers. Under the terms of the PowerTrack

contract, Prompt Payment Act interest begins to accrue 15 days from the PSI availability date. The PSI and supporting documentation (detailed PSI and member's orders) must be certified and arrive at the designated DFAS payment center by the 5 GBD following receipt of the PSI. This is to ensure the payment center has sufficient time to disburse the amount owed to U.S. Bank. Designated DFAS payment centers (for addresses go to www.dfas.mil) are as follows:

Service	OPLOC	POC	Phone Number	Fax Number
<i>Army</i>	DFAS-Indy	Al Easter	317-510-2464	317-510-3774 / 317-510-5717
<i>Air Force (JPPSO North East)</i>	DFAS-Dayton (Denver Network)	Paul Caut / Thomas Gibson	937-296-8604 / 937-296-8347	937-296-8179
<i>Air Force (JPPSO Anchorage)</i>	DFAS-Pacific	Alesia Stanley	808-472-7702	808-472-5827
<i>Air Force - Spangdahlem</i>	DFAS-Limestone	Kevin W. Jones	207-328-1605	207-328-1699 or 207-328-1873 (w/ cover page and attention Mrs. Suire)
<i>Navy</i>	DFAS-Norfolk	Larry M. Johnson	757-443-4415	757-443-4016
<i>Marine Corps</i>	DFAS-Columbus	Jim Hunter	614-693-8732	614-693-2702 or 614-693-2703
<i>Coast Guard (for non-Coast Guard shipments)</i>	DFAS-Indy	Al Easter	317-510-2464	317-510-3774 / 317-510-5717

- b. The Certifying Officer will print the PSI after the 15th of the month (next business day, if the 15th falls on a weekend) or when U.S. Bank generates the PSI on the PowerTrack web site, whichever occurs later.
- c. The PowerTrack PSI must be reviewed and certified by the Certifying Officer prior to pre-validation of available funds by the designated DFAS payment office. The overall scope of the review is to ensure that the invoice contains the necessary substantiation and documentation for lawful and proper payment. The Certifying Officer business rules for PSI

certification are outlined in Appendix B of this document. These rules must be strictly adhered as per the DoDFMR.

- d. Line of Accounting will summarize transportation charges on the U.S. Bank PSI. Supporting detail is available in PowerTrack. The Expense Distribution Monitor or a similar report providing shipment level detail will also be printed for use in the certification process and for submission to DFAS. The Expense Distribution Monitor or a similar detail report will contain the shipment record to include the Standard Document Number. Obligation data is mandatory and must be shown on the Expense Distribution Monitor or similar detail report. If the LOA contains the Obligation data, then it will be summarized on the PSI.
 - ❑ The DFAS accounting systems require Obligation data to identify a transaction for processing within the system. If the Obligation data is not present in the incoming certified billing on a transaction, the DFAS paying office will contact the supporting Funds Manager or the Certifying Officer for valid Obligation data.

- e. If the LOA is missing, PowerTrack will assign “xx” in the LOA field. This field remains open for editing from the BoLs receipt from CWA until PSI generation. The CO must proactively research instances of missing or inaccurate LOAs for the origin site throughout the PSI cycle period using the Expense Distribution Monitor or the summary invoice, correcting the LOA for the respective TSP invoices.

- f. After the PSI is generated, the LOA fields are locked from further edits. The CO, then, manually corrects LOA on the PSI hard copy before sending on to DFAS.

- g. The Certifying Officer will review the PSI from U.S. Bank to ensure that it reflects the actual TSP payments and existing LOAs and Obligation data. The Certifying Officer will accomplish the pre-payment review of the PSI by validating the shipments from the PSI against details showing shipment level detail verifying that the payment amounts are the same as those on the associated PAYMENT SETTLED requests in the PowerTrack database. Any discrepancies are to be immediately brought to the attention of the PowerTrack Help Desk. The Certifying Officer must correct any LOA or Obligation data errors discovered on the PSI and/or Expense Distribution Monitor and send it to DFAS within 5 government business days (GBD) of the PSI availability date.
 - ❑ Prior to certification of the PSI, the Certifying Officer will review LOAs and Obligation data for accuracy.
 - ❑ If the PSI is missing or contains the incorrect the shipper’s appropriation (LOA/ Obligation data), the Certifying Officer will contact the issuing order authority to resolve the discrepancy in PowerTrack. An entry in the Notes component of PowerTrack will be prepared documenting the actions taken to establish the correct appropriation.

- h. Payment from the government to U.S. Bank is required in 15 days or less (“net 15 days”) from the date the PSI is first available. The bank invoice must be certified and arrive at the designated DFAS payment center by the 5th GBD following receipt of the PSI. This is to ensure the payment center has sufficient time to disburse the amount owed to U.S. Bank.
- i. The Army Corps of Engineers (ACOE), Non Appropriated Funds (NAF) and the US Coast Guard (USCG) will have a separate PSI generated for their shipments regardless of the origin account holder in PowerTrack. For example, if a Coast Guard member moves out of Fort Belvoir. Fort Belvoir PPSO will manage the invoices for payment. Once the PSI is generated, Fort Belvoir’s PSI will not include that USCG transaction as it has been separated into a USCG statement. The ACOE and USCG will have their own payment centers paying their PSI directly to US Bank. NAF PSI will be paid directly to PowerTrack from the following location: US Army Community and Family Support Center, P.O. Box 107 Arlington VA 22210.
- j. For USCG installations, all non Coast Guard shipments will be generated on a separate PSI in PowerTrack, which must be certified by the USCG CO and sent to the appropriate DFAS-IN.
- k. Since the USCG is not a DoD organization, the USCG and the Services have entered into a reciprocal Memorandum of Agreement (MOA) concerning their PPSOs’ approval of payments to the Transportation Service Providers (TSPs). Hence, each Origin PPSO resolves any discrepancies between the BOL data and invoice data and approves payment to the TSP on behalf of both the USCG and the Services without regard to whether the origin PPSO is a USCG member or a DoD member. The MOA is attached as an appendix of this CONOPS.
- g. The Certifying Officer signs the PSI to certify the PSI as correct and proper for payment to U.S. Bank. This must be accomplished within 5 GBDs from the PSI availability. Certification means that the PSI accurately reflects actual payments made to TSPs in comparison to the Transaction Manager or Expense Distribution Monitor Report. The initial pre-TSP-payment approval process certified each payment transaction as being true and correct. The signed PSI and the detailed statement with member’s orders is sent by fax (preferred) or overnight mail (by traceable means) to the DFAS payment center designated for that Certifying Officer. The certified PSI and Expense Distribution Monitor (or similar detail) must arrive at the appropriate DFAS payment center NO LATER THAN 5 GBDs from the PSI availability date.
 - The following certification statement must appear on the face of the PSI along with signature of the authorized certifying officer:

“Pursuant to authority vested in me, I certify that this billing statement is correct and proper for payment, except as may be noted herein or on supporting documents.”

John Doe

Authorized Certifying Officer

Business Rules for PSI Certification	
Condition	Rule
Certifying Officer prints PowerTrack Summary Invoice (PSI) delivered via the PowerTrack desktop	Certifying Officer stamps Prompt Pay Act effective date on PSI. Under the terms of the PowerTrack contract, Prompt Payment Act interest begins to accrue 15 days from the PSI availability date.
PSI not available or Certifying Officer encounters problems printing PSI.	Certifying Officer contacts PowerTrack Help Desk.
Certifying Officer performs pre-payment statement review to ensure statement reflects actual TSP payments.	Review PSI Shipment Detail Listing and verify that the payment amounts are the same as those on the associated PAYMENT SETTLED requests in PowerTrack
Certifying Officer reviews Summary By Accounting Code section of PSI to identify any invalid LOAs.	Use PowerTrack to drill down to transactions for invalid LOAs and use information to contact the PPSO and/or shipment requestor and correct LOA entries. Certifying Officer has five (5) GBDs to correct the LOAs.
Certifying Officer determines the PSI to be correct and proper.	Certifying Officer signs PSI and submits it to proper DFAS OPLOC for their Service. Certifying Officer certifies within 5 GBDs days and sends by fax or express mail (by traceable means) to DFAS or Coast Guard Finance Center. PSI must arrive at payment center NLT 5 GBDs from PSI availability date.
PPSO or Certifying Officer discovers overpayment	PPSO or Certifying Officer effects price adjustment by requesting TSP submit credit invoice or as a last resort create ebill refund. In PowerTrack

- **U.S. Bank Payment (12.0)**

- a. The U.S. Bank PSI charges will be summarized by Line of Accounting. Supporting detail is available in the download details of PSI in PowerTrack.
- b. If the LOA fails the edit because of the obligation is not established, DFAS will contact the funds manager to obtain permission to record the obligation. Once the obligation is recorded the in accounting system, DFAS will process the payment against the obligation.

- c. Adjustments will be credited/debited to the detail LOA and will offset or increase the amount paid to U.S. Bank for that PSI.

Business Rules for Bank Payment	
Condition	Rule
Line of Accounting fails edit in the entitlement system because of insufficient obligation	DFAS will contact the Funds manager for authority to increase the obligation prior to payment
Line of Accounting fails edit in the entitlement system because of no obligation	DFAS will contact the funds manager to identify the appropriate accounting data, record the obligation and process the payment to U.S. Bank.
Line of Accounting fails edit in the entitlement system because of validity	DFAS will contact the funds manager to identify the appropriate accounting data, record the obligation and process the payment to U.S. Bank.
DFAS receives certified PSI	DFAS must provide payment for the PSI within 15 calendar days after the PPSO received the invoice from U.S. Bank.

- **Post-Payment Audit Data Retrieval (13.0)**

- a. GSA will conduct post-payment audits, using invoice data from PowerTrack and data on authorized services and weights from the CWA. GSA reserves the right to request hard copy supporting documents from the TSP to conduct post payment audits.
- b. TSPs have the option of providing hard copy documents to GSA before they are requested.

6.0 Metrics

This section describes the metrics that will be used to evaluate the Personal Property prototype implementation – to measure successes, identify and resolve issues. Metrics are to be collected and evaluated by site to ensure that the Personal Property prototype accomplishes the following goals:

- Improve accuracy of payments and collections (1.0)
- Improve timeliness of payments and collections (2.0)
- Establish better upfront transportation documentation (3.0)

The following table provides specific metrics to be collected and analyzed to accomplish the above goals.

No	Metric	Definition	Goal	Source	Unit
1	Transportation Provider payment cycle time	No. of days from PowerTrack create date to Payment Settled	1,2	U.S. Bank	Days
2	PPSO response to Pending items	Avg. no. of days from Pending to Approve, Deny or Dispute	2	CWA	No.
3	PPSO response to updated items	Avg. No. of days from TSP updating dispute to PPSO approval	2	CWA	No.
4	PPSO response	Percentage of responses to CWA invoices in 3 days	2	CWA	%
5	Bank payment cycle time	Time from PSI generated until the EFT is generated by DFAS	1,2	DFAS U.S. Bank	Days
6	% of eBill occurrences	Percentage of eBills relative to the total number of shipments processed	1,3	U.S. Bank	%
7	Dollar amount for eBill occurrences	The absolute dollar value of the eBills	3	U.S. Bank	\$'000s
8	Invalid LoAs	Number of LoA transactions that use invalid LOAs (future)	1,2	CWA	No.
9	Dollar amount of invalid LoAs	Dollar amount of LoA transactions that use invalid LoAs	1,2	DFAS	\$'000s
10	Interest paid on late payment to U.S. Bank	Total dollar value of interest paid to U.S. Bank	1	DFAS/ U.S. Bank	\$'000s
11	Delinquent Bank payment	Total dollar amount overdue to U.S. Bank	1	U.S. Bank	\$'000s
12	Automated approval	No. of approvals done automatically through PowerTrack	2,3	U.S. Bank	No.
13	Dollar amount of automated approvals	Dollar value of approvals done automatically through PowerTrack	2,3	U.S. Bank	\$'000s
14	Threshold Approval	No. of transactions above the dollar value threshold	2	U.S. Bank	No.
15	Manual approval	No. of approvals done manually through PowerTrack	2,3	U.S. Bank	No.
16	Dollar amount of manual approvals	Dollar value of approvals done manually through PowerTrack	2,3	U.S. Bank	\$'000s
17	Pre-Approvals	Average No. of Pre-approvals per BoL	3	CWA	No.
18	No. of PowerTrack BoLs	No. of shipments booked for PowerTrack vs. No. of total shipments for the activity. (Eligible vs. Actual)	3	CWA/ TOPS	No.
19	Variance of BoL and TSP payment	The absolute dollar amount difference paid to TSP compared to Rated BoL.	1	CWA	\$'000s
20	Invoice Accuracy	The absolute variance from TSP original invoice amount to paid actual invoice amount.	1	U.S. Bank	\$'000s

20	Invoice Accuracy	No. of line items on an invoice not rated due to insufficient data or systems deficiency	1,2	CWA	No.
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During the Evaluation Period, the above mentioned metrics will be reported. In addition, the number of shipments booked, diverted, reshipped, delivered, in storage and invoiced, by GBLOC, shipment type and code of service will be tracked. This is done in order to ensure the EP is somewhat representative of the full rollout.

**Appendix A: Proposed To-Be Personal Property Payment Processes
for the Services**

Families First Electronic Bill Payment Phase I Proposed Financial Process Flow

A. Proposed Financial Process Flow

The following proposed Process Flow for the Financial Process under Families First Electronic Bill Payment Phase I has been developed for Financial Management and Accounting review before inclusion in the full CONOPS. The proposed process relies on the Automated Commercial Payment and Accounting Process CONOPS dated August 30, 2001 scheduled for implementation in 2004.

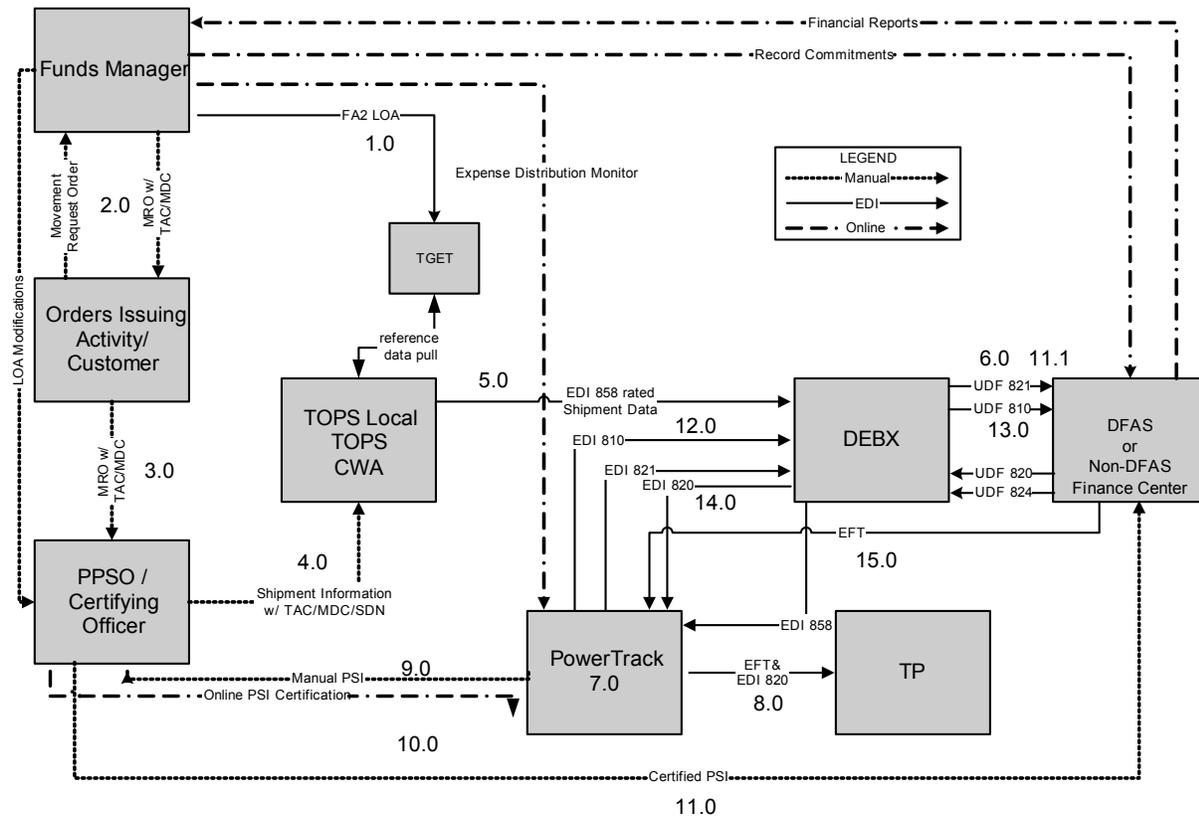


Figure A-1 Proposed Financial Process Flow

- 1.0 The Service TGET Administrator or a designated funds manager populates TGET with FA2 LOA data. Data will be entered into TGET via an on-line user interface or can be uploaded directly from a system utilized by the Service. The shipper system will convert MDC/TACs to the appropriate FA2 segmented LOA using a copy of the TGET. If segmented LOAs are

entered the shipper system will verify the accuracy and completeness of the segmented LOA using its copy of the TGET. (Please note that a final decision is pending as to the placement of the TGET in this process, hence the use of the generic term “shipper system”.)

- 2.0 Order Issuing Activity will enter TAC/MDC and SDN on Orders. The TAC/MDC is to be provided by Funds Manager. If TAC/MDC is not available for a FA2 LOA, a Text LOA must enter on Orders. The SDN must be created and entered on Orders upon order creation. The SDN creation will be based on individual Service requirements. At the time of Order creation, obligations/commitments will be recorded for all transactions within the timeframes required by law and other regulations as reflected in the “DoDFMR”.
- 3.0 Customer provides PPSO with the Orders created by Order Issuing Activity.
- 4.0 PPSO enters shipment data into TOPS (Local). Data entered into TOPS (Local) will be processed into TOPS (History) and then into CWA. The Transportation Global Edit Table (TGET) built into CWA will be updated twice daily from TGET via FTP. CWA TGET converts the TAC/MDC and SDN (and eventually additional accounting information input by the PPSO based on the FA2 LOA edit application) to a FA2 LOA and posts it on the EDI 858. If only a Text LOA is input by the PPSO, this information will be posted on the EDI 858 (see step 5). Note: TGET is currently scheduled for implementation in July 2004.
- 5.0 After shipment invoice is received from TSP via PowerTrack, the shipment is rated and sent via EDI 858 to DEBX. DEBX will then send the EDI 858 to PowerTrack.
- 6.0 DEBX will translate the EDI 858 accounting data from CWA to the appropriate User Defined File (UDF 821) and send to the pertinent DFAS accounting system to obligate the funds.
- 7.0 PowerTrack will allow for Accounting data review and updates before and after payment is made to the TSP
 - LOA Review
 - Once PowerTrack receives the transaction, CO may review their respective LOA transactions within PowerTrack using the PowerTrack Expense Distribution Monitor. In addition, the CO may utilize reports such as the Summary Invoice and/or the on-line Statement Preview. The Expense Distribution Monitor report will allow COs to search for LOAs by entering one or many segments of an LOA as the report parameters. The Expense Distribution Monitor clearly identifies the origin activity for each charge against each LOA. COs will contact the FMs to resolve any exceptions identified prior to certification of PSI.
 - If a FA2 LOA is not available, the TEXT LOA from the EDI 858 will be used by PowerTrack in generating the hard-copy PSI. The TSP payment will not be delayed if the LOA is missing or inaccurate.

- Edit Exception Resolution
 - If the CO identifies an edit exception in the LOAs, he will first contact the PPSO to identify whether the data input based on the orders is correct. If this information is indeed correct, the CO contacts the appropriate FM and provides the SDN, dollar amount, existing LOA, proper LOA for the transaction, reason for the change, and their phone number or email address. The CO will provide this information via written or electronic means to establish a record of changes for future references.
 - If the transaction is missing, the FA2 LOA in PowerTrack, the CO will contact the FM to resolve the missing data. The CO can either enter the FA2 LOA or a Text LOA if there is no FA2 LOA for the TAC/MDC.
 - If it is determined that the fund cite listed on the Order is incorrect, the CO will inform the pertinent Funds Manager. Any change to the transaction in PowerTrack must also be accompanied by a change or amendment to the original Order document.
 - Obligations – Please note that the Services will use their existing obligation processes during the Phase I Evaluation Period. An effort is underway to document the as-is obligation processes of each Service and hence develop a to-be process to be used when the DFAS Automated Payment and Accounting Process is implemented for personal property.
- 8.0 Upon completion of the matching criteria in PowerTrack, TSP is paid via EFT. Payment advice is sent via EDI 820
- 9.0 The CO will certify the PSI on-line as soon as it is available. As a backup procedure to the automated certification process, the CO may download and print the PSI and submit it to the appropriate DFAS and non-DFAS payment centers (including US Coast Guard) upon certification. In the event that a FA2 LOA does not exist and a Text LOA is used, the manual hard copy PSI must be utilized and certified by the CO.
- The certification process for each origin owner may be centralized. For instance, for all Marine Corps sites, certification will take place at TVCB Albany. The CO may maintain a hard copy of the certified PSI for its records.
 - The CO will complete the certification of the PSI within 5 GBDs days of the PSI being available in PowerTrack for downloading and printing. In preparation for the certification and to correct any LOA issues in due time, the CO may use the on-line viewing capability in PowerTrack as well as the Expense Distribution Monitor in

PowerTrack throughout the billing cycle to review LOAs and make corrections before the PSI generation.

- The US Coast Guard (USCG) and the Army Corps of Engineers (ACOE) will each have a separate PowerTrack account as determined by the TAC. The PSI will contain all shipments performed for the account of the USCG and ACOE whether the origin PPSO site is a Military Service site or a USCG site. The USCG and ACOE assigned COs will certify their respective PSIs. Until the automated back-end is in place, the USCG Finance Center will download the certified PSI directly from the PowerTrack web site in the USCG User Defined format (most likely CSV format) for automatic processing in the USCG Finance Centers systems. ACOE is currently investigating the USCG process for payment, but will in the meantime utilize the same payment process as the Services.

10.0 The hard copy certified PSI, along with the detailed transaction level PSI and member's orders, is then sent to the appropriate support finance center (by fax). If the transaction is a cross-disbursement, supporting documentation (Orders) must also be sent to the appropriate support finance center.

11.0 Upon certification of the PSI, PowerTrack will provide an accounting data update feed (with accrual information) in the EDI 821 format upon PSI certification. This data feed will update the original obligation.

- The data feeds will contain an identifier to indicate that they are updates to earlier obligation data feeds. DFAS systems will adjust the obligation upon receipt of the 821 accounting data feeds.
- In order to help identify the DFAS system destination of the data feed, PowerTrack will copy the Accounting Installation Number (AIN) from segment L1 of the FA201 loop to segment GS03 of the EDI. The data feeds will be transmitted to DEBX upon their creation.
- The EDI 821 will contain the original LOA and original dollar amount from the BoL, and the final LOA and final dollar amount for each transaction.

11.1 DEBX translates and transmits obligation update feed to DFAS systems

- DEBX will translate the EDI 821 accounting data feeds from PowerTrack to the appropriate User Defined File (UDF 821). DEBX will then transmit the data feeds to the appropriate DFAS system according to the AIN located in segment GS03 of the UDF 821 accounting data feed. DFAS systems will record accounting data upon receipt of a UDF 821.

12.0 PowerTrack generates and transmits an EDI 810 Invoice to DEBX.

- Upon certification of the PSI and successful transmission of the 821 accounting data feeds, PowerTrack will create EDI 810 data feeds to transmit the certified invoices to DBEX. PowerTrack will create one EDI 810 invoice for each different AIN (L1 segment of the FA2 LOA included within each PPSO PowerTrack Account), including AINs for the US Coast Guard and the Army Corps of Engineers. Each EDI 810 must contain the certification of the CO.
- PowerTrack will identify the DFAS and non-DFAS payer location in the GS03 segment of the EDI 810 data feed using the AIN.
- PowerTrack will create a unique invoice number for each invoice loop within an EDI 810. The entire invoice number must be no larger than 22 characters in order to be processed through all DFAS and non-DFAS payment systems. PowerTrack will transmit the EDI 810 data feeds to DEBX upon their creation.

13.0 DEBX sends the 810 UDF Invoice to the appropriate Vendor Pay entitlement system.

- DEBX will translate the EDI 810 data feeds into the appropriate invoice User Defined File (UDF 810) for the DFAS and non-DFAS destination systems.
- DEBX will determine the destination systems by the AIN in the GS03 segment of the EDI 810 Data feed. DEBX will then transmit these UDF 810 data feeds to the appropriate DFAS and non-DFAS system based upon the destination code table maintained by DFAS and non-DFAS finance centers.

14.0 DFAS and non-DFAS finance centers pay US Bank.

- DFAS and non-DFAS payment systems will process payments to U.S. Bank for all PowerTrack EDI 810 billings under current disbursing procedures. Payments will continue to be made via Electronic Funds Transfer (EFT) consistent with the current manual billing and payment process. Payment notification will be provided to the appropriate DFAS and non-DFAS finance centers' accounting systems using current notification procedures according to the owner of the funds disbursed. DFAS and non-DFAS finance centers' systems must return at least the first 16 characters of the invoice number in the EFT payment to PowerTrack to ensure that PowerTrack can apply the payment to the proper PowerTrack account.
- DFAS and non-DFAS finance centers will prepare remittance User Defined Files (UDF 820) to accompany the EFT reimbursement to U.S. Bank. Each UDF 820 data feed will include a remittance that lists the amount paid per unique 810 identifier. DFAS and non-DFAS finance centers will transmit the UDF 820 data feeds directly to U.S. Bank via DEBX upon their creation.

B. Schedule for Implementation of the DFAS Automated Payment and Accounting Process for Personal Property

The below schedule assumes personal property implementation begins 60 days after the scheduled implementation of the DFAS automated backend process for freight transactions.

<i>Service</i>	<i>PowerTrack Monthly Billing Cycle Ending In</i>
Marine Corps	September 2004
Navy	January 2005
Army	January 2005
Air Force	April 2005

Appendix B: Certifying Officer Business Rules

Business Rules
Certifying Officer Certification of PowerTrack Summary Invoice
PowerTrack Summary Invoice Examination Requirements

1. General

Overall guidelines for the administrative examination of disbursement vouchers are set forth in Title 7 of the General Accounting Office (GAO) Policy and Procedures Manual. These types of reviews are typically divided into either pre or post payment examinations. In the transportation functional area, a TSP pre-payment review is conducted by the Transportation Officer (TO) or other appropriate official appointed as the Certifying Officer's designee to approve payments to TSPs using PowerTrack, a commercial payment system maintained by US Bank under contract with the Department of Defense. GSA has certified the internal controls in PowerTrack as a prepayment audit system. Due to this certification, only the post-TSP payment statistical sampling verification procedures approved by GSA and OSD(C) can be accomplished by the Certifying Officer, in the review and certification of the PowerTrack Summary Invoice (PSI). Up-front supervisory review and automated edit checks and computation methods have been demonstrated to provide adequate internal controls to qualify as a prepayment audit system.

Commanders, activity directors, and other personnel of equivalent position of an organization appoint a Certifying Officer (CO) in writing. Typically, the CO will be the Transportation Officer but Commanders have the prerogative to appoint any qualified individual as a Certifying Officer. There must be a separation of duties between the TO approving invoices in CWA versus the Certifying Officer certifying the PSI for DFAS to pay US Bank. Certifying Officers must be Department of Defense civilian employees or military personnel. Contractors are not eligible to be Certifying Officers. The Commander, activity director, and other personnel of equivalent position can appoint whomever he or she wants as a Certifying Officer; does not have to be a part of the Transportation Office. The Certifying Officer will ensure that the DFAS paying offices have the required documentation on file for the appointed Certifying Officers who certify the US Bank PSI(s). The required documentation is the Certifying Officer appointment letter and the specimen signature card (DD Form 577). Certification of the PSI will be in accordance with Chapter 33 of Volume 5 of the Department of Defense (DoD) Financial Management Regulation, DoD 7000.14-R. To accomplish the tasks outlined below, access to PowerTrack and the establishment of internal controls within PowerTrack are under the purview of the CO even if the individual were outside of the Transportation Office.

Qualifications for Certifying Officers are located in the Department of Defense Financial Management Regulation [DODFMR], Volume 5, Chapter 33, Accountable Officials and Certifying Officers. Requirements for TSP prepayment audit review are located in 41 CFR parts 101-41 and 102-118; requirements for PSI certification are located in the DODFMR, Volume 5, Chapter 33. The extent of the liability of the CO is located in the DODFMR reference. The 41 CFR is available through the Government Printing Office Reference Library at www.gpo.gov (then, Quick Links to Code of Federal Regulations). The DODFMR is available through the Defense Finance and Accounting Service (DFAS) Reference Library at www.dfas.mil. Certifying Officers may not concurrently serve as a Disbursing Officer or Deputy Disbursing Officer.

The CO must review those PowerTrack transactions identified for post-TSP payment statistical sampling and verify the correctness of the PSI. All TSP payment approval transactions regardless of thresholds and tolerances included in the sample are applicable when reviewing the PSI for payment of correct amounts. The sampled transactions must be accurate or collection action must be taken (e-bill or otherwise). The CO is not required to review other billings not specified in these rules, but should review any known discrepancies or erroneous billings to ensure the appropriateness of payment and the safeguarding of DOD funds.

The PowerTrack PSI must be reviewed and electronically certified in PowerTrack by the CO prior to submission to and processing by the DFAS payment office. The overall scope of the review is to ensure that the invoice contains the necessary substantiation and documentation for lawful and proper payment. The CO utilizes the PowerTrack database and relies on information supplied by the accountable official, and works with the appropriate funds manager to ensure:

- The PSI has complete Lines of Accounting (LOAs) for each line item on the PSI.
- Each transaction has a Standard Document Number (SDN) if applicable. (not all Services use SDNs)
- The PSI certification is completed and received by the DFAS payment center within 5 government business days of receipt of the PSI.
- Complete LOAs and/or SDNs are annotated on the PowerTrack Summary Invoice (PSI) or other service required payment document.
- The certified manual PSI with the attached detailed PSI and members orders, for that time period is forwarded to the designated DFAS paying office for processing; the electronic portion of the PSI will be automatically sent to the appropriate payment center via EDI 821/810 following electronic certification by the CO.
- The amount billed and the certified amount is accurate on the PSI.

The CO will review the PSI from U.S. Bank to ensure that it reflects the actual TSP payments. The CO will also ensure that the detailed amounts identified supporting documentation equals the amount certified on the PSI for reimbursement to the Bank. Adjustments for incorrect or erroneous charges shall be processed for credit in subsequent billings. The CO will maintain records of such items until their final resolution and documented in PowerTrack and then processed in a PSI. The detailed PSI will contain a full LOA, including the SDN if applicable for each LOA to be charged. The CO should provide the PSI and member's orders, electronically if the capability exists. The CO will ensure that the PSI or other documentation is annotated with any missing data (i.e., full LOA, SDN) before forwarding to the DFAS.

2. Statistical Sampling Plan

The DODFMR provides for a sampling method that reduces the length of time that it would take a CO to certify a PSI. If the CO properly executes his/her duties as described above and uses the sampling technique as outlined in these business rules, they will have satisfied their DODFMR fiduciary responsibilities. The following paragraphs describe a simple yet effective manner for

personnel to review and certify the PowerTrack PSI. These procedures describe the manner in which PowerTrack transactions are to be sampled and the criteria for determining if discrepancies exist. The results of the sampled transactions will also provide the supervisor and higher-level management officials with trends regarding the types and frequency of discrepancies found on PowerTrack transactions.

- **Preparing to Select Transactions for Review**

Before selecting the sample, a reasonable estimate must be obtained of the number of PowerTrack transactions expected to be processed for the current month. Possible sources of this estimate would be past data. The purpose of this estimate is to determine the sample size and sample selection criteria. All categories of PowerTrack transactions regardless of dollar value are subject to review through random selection processes.

- **Transactions Requiring 100% Review**

Any PowerTrack transaction that does not contain an accounting classification or contains a partial accounting classification will be reviewed prior to PSI certification. Any PowerTrack transaction over \$2,500 for a shipment or that has had a price variance greater than 30% from the original price will be reviewed. Instruct personnel who are authorized to approve TSP payments in PowerTrack to record all upward price adjustments in the journal entry section of the transaction. No transactions requiring 100% review will be included in the transactions sampled for post-payment verification.

- **Selecting the Sample of Transactions for Post-TSP Payment Verification**

A systematic method will be used to select the PowerTrack transactions for review. At Appendix A, the Sampling/Interval Determination chart provides the approximate sample size based upon the estimated total number of transactions for the given month. For example, if the transportation office estimates that approximately 2,000 PowerTrack transactions will be processed for the current month, the sample size will be approximately 95. The sampling interval would be 21, in this case.

A random start number from 1 to 21 would be selected, say 5 for example. Starting with the 5th transaction, every 21st transaction would be selected (e.g., 5, 26, 47, etc.) until the entire population had been exhausted and the total sample achieved. Note that the actual sample size may vary from the estimate. Once a sampling interval is selected, do not change the size of the sampling interval during the month. At the start of a new month, a different sampling interval may be used based on revisions to the estimated monthly population sizes.

- **Conducting the Post-TSP Payment Verification on a Statistical Sampling Basis.**

The next step is to conduct the review of the PowerTrack transactions. Prepare a PowerTrack Certifying Officer Checklist or annotate the Expense Distribution Monitor (EDM) Report for all transactions reviewed and upon completion, retain in the Certifying Officer's file for reference. See below for the sample checklist. The CO should compare any available source documentation (i.e., the Movement Request Order) with transactions from other source systems to

ensure that input to PowerTrack was accurate. If there is a deviation from the source documentation or source input and the PowerTrack PSI, any journal entries related to the transaction will be reviewed for an explanation of the differences. If the TSP was overpaid, the CO will still certify the PowerTrack PSI and direct that an e-bill be created to recoup the overpayment. This process must be accomplished within 30 days. Collections against vendors/TSPs no longer in the PowerTrack system or who have filed for protection under the bankruptcy rules will be accomplished in accordance with existing debt management processes (See Volume 10, DODFMR). Note: TSPs in bankruptcy cannot be approved for Auto Approval.

PowerTrack Transaction Review Elements.

The purpose for including these elements in the review is to ensure that the transactions have been properly accomplished and that any source documentation and/or source input supports the sampled PowerTrack transactions. This list is not exhaustive and can be augmented by local review elements.

- Standard Carrier Alpha Code is correct
- Complete accounting classifications are present on the PSI
- Amount claimed by the TSP is same amount on the shipping instructions
- Any adjustments to rate or price are documented via the Journal Entry feature in PowerTrack or the e-bill process
- All service rates and charges are clearly identified and authorized on the shipping instructions
- Applicable Military Surface Deployment and Distribution Command regulations have been adhered to as applies to movement charges billed
- Complete PowerTrack transaction history is reviewed for:
 - Fraud, waste, and abuse by the TSP or others involved in the TSP payment approval process
 - Additional monies the government or may be owed—create an e-bill
 - Irregular or incomplete entries in the Journal Entry feature for that transaction
- Notification of the Service HQ and SDDC HQ (See Chapter 27 of Defense Transportation Regulation) of any TSP found abusing the fast payment process.
 - Implementing regulations will provide for a review and appeal process associated with discrepancies and will require removal from the PowerTrack system of those found abusing the system

Sample Size/Interval Determination
Target n =100

Estimated Monthly Population Size	Sampling Interval Size	Estimated Sample Size	Estimated Monthly Population Size	Sampling Interval Size	Estimated Sample Size
100	2	50	3600	37	97
200	3	67	3700	38	97
300	4	75	3800	39	97
400	5	80	3900	40	98
500	6	83	4000	41	98
600	7	86	4100	42	98
700	8	88	4200	43	98
800	9	89	4300	44	98
900	10	90	4400	45	98
1000	11	91	4500	46	98
1100	12	92	4600	47	98
1200	13	92	4700	48	98
1300	14	93	4800	49	98
1400	15	93	4900	50	98
1500	16	94	5000	51	98
1600	17	94	5100	52	98
1700	18	94	5200	53	98
1800	19	95	5300	54	98
1900	20	95	5400	55	98
2000	21	95	5500	56	98
2100	22	95	5600	57	98
2200	23	96	5700	58	98
2300	24	96	5800	59	98

2400	25	96	5900	60	98
2500	26	96	6000	61	98
2600	27	96	6100	62	98
2700	28	96	6200	63	98
2800	29	97	6300	64	98
2900	30	97	6400	65	98
3000	31	97	6500	66	98
3100	32	97	6600	67	99
3200	33	97	6700	68	99
3300	34	97	6800	69	99
3400	35	97	6900	70	99
3500	36	97	7000	71	99

For monthly population sizes greater than 7000, the sampling interval is approximately equal to the population size divided by 100. For example, if the number of PowerTrack transactions processed each month is approximately 7500, then the sampling interval is 75, the sampling frequency is 1/75 and the total number of PowerTrack transactions selected for audit is approximately 100.

Appendix C: GSA Pre-Payment Audit Approval



U.S. General Services Administration

OCT 23 2003

Colonel Thomas Keller
Headquarters, Military Traffic Management Command
Hoffman II, Room 10567-24
200 Stovall Street
Alexandria, VA 22332-5000

Dear Colonel Keller:

The General Services Administration, Audit Division (GSA) is responsible for the audit of all transportation bills in accordance with section 322 of the Transportation Act of 1940, as amended (31 U.S.C. § 3726). In accordance with prepayment audit requirements defined in 41 CFR 102-118.325, the Department of Defense (DoD) has requested approval of the Central Web Application (CWA), a key element of the DoD Future Personal Property Program (DFPPP) electronic bill payment system, designed for costing shipments and accessorial authorization.

GSA has reviewed the Military Traffic Management Command (MTMC) Concept of Operations (CONOPS) outlining the implementation of an interim Phase 1, and observed demonstrations of the CWA. Based on an assessment of the process, GSA grants tentative approval, pending a more in depth analysis of the outcomes resulting from the addition of DoD sites and transportation providers.

Moreover, GSA has identified several issues that are critically important to the audit processes:

- (1) The postpayment audit recovery of overcharges, represented by e-bills should be limited to 30 days, rather than the current Business Rule provision for 6 months. Prepayment and postpayment audit actions should be defined in accordance with 31 U.S.C. § 3726.
- (2) GSA requires access to CWA and Powertrack to accommodate a postpayment review.
- (3) The DFPPP electronic bill payment system effectively replaces Defense Finance and Accounting Service and consequently, impairs GSA's ability to collect debt using the setoff process. The recently designed Setoff CONOPS must be implemented to facilitate setoff actions.

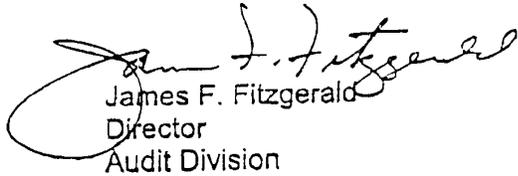
1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

- (4) DoD's commitment to promptly address problems discovered in the postpayment audit is essential to GSA's task of protecting Government transportation dollars.

MTMC has agreed to grant GSA access to Power Track and the CWA. All other identified issues must be addressed. GSA is advising that the Business Rules be modified to satisfy these requirements.

GSA looks forward to the successful implementation of this program. GSA's approval is subject to periodic review, which is an element of a permanent process to evaluate the effectiveness of the system. If you require any further assistance, you may contact me at (202) 501 3894.

Sincerely,


James F. Fitzgerald
Director
Audit Division

Appendix D: Hard Copy Documentation Process Approval

DFAS Review on the Hard Copy documentation process



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
1931 JEFFERSON DAVIS HIGHWAY
ARLINGTON VA 22240-5291



FEB 26 2004

DFAS-DFV

MEMORANDUM FOR DIRECTOR, MILITARY TRAFFIC MANAGEMENT COMMAND
(ATTN: Mr. Keller/MTPP-PD)

SUBJECT: Request for DFAS Review of Personal Property Shipping Office (PPSO)
Approval Process in the MTMC Central Web Application (CWA)

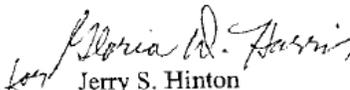
This responds to your request for a review of the PPSO approval process in the CWA. Specifically we are addressing the elimination of the hard copy DD Form 619 and the risk of pecuniary liability for the certifying officer.

Current procedures require that the transportation provider (TP) submit a copy of the member signed DD Form 619 to the Transportation Office (TO). In the future process, the TP will not submit the hard copy DD Form 619. Information needed to compute the payment for charges associated with the DD Form 619 will be provided on the TP invoice. The Military Services, who will certify the transactions for payment, are concerned about the risk of the TO making fraudulent payments and incurring pecuniary liability without the hardcopy DD Form 619.

Based on our review of the process and meetings with MTMC personnel, we feel the process offers reasonable assurance that payments will be correct and free from fraud or error. MTMC will use an approved sampling process where they will review all documentation, to include the DD Form 619, for selected transactions. In addition, the TO will be able to view all charges in the MTMC CWA before approving them for payment. There are also edit checks that will flag abnormal charges. The TO will have the opportunity to request supporting documentation to substantiate questionable charges.

However, the new process does alternate from the current requirements for supporting documentation. Considering this, we recommend that, in accordance with the guidelines in Title 7, MTMC request approval of the alternative procedure from the General Accounting Office.

Refer any questions or comments to Ms. Cheryl L. Ford at (703) 607-5029.


Jerry S. Hinton
Director for Finance

Your Financial Partner @ Work
www.dfas.mil

**Placeholder for OSD (C) and GAO response to the hard copy process
and the sampling methodology**

Appendix E: Success Criteria for the Evaluation Period

Success Criteria for Evaluation Period of Phase I

The Evaluation Period was approved, by DFAS, to include 15-25 sites based on the volume. The limited rollout as agreed would not impact DFAS with the manual PSI process while awaiting the completion of the Automated Back End. This Back End process will reduce workload on the Certifying Officer and DFAS OPLOCS and facilitate the payment of the PSI within 15 days.

While the initial 14 sites have been identified, the purpose of the Evaluation Period is to fully test and validate that the process works as intended. All shipment types and codes of service identified in the Phase I scope are not represented among the current list of volunteers. It is the intent of SDDC in coordination with the Services to include additional sites up to the DFAS agreed upon number and solicit more TSP volunteers for the EP, in order to attempt a true representation of Phase I.

During the Evaluation Period, key metrics identified will be reported to all stakeholders. The intent of the metrics is twofold:

- Identify significant issues and risk factors
- Show continued progress/improvement through issue resolution and risk mitigation

While metrics will continue to be provided throughout the Phase I process, minimum criteria have been developed for declaring the Evaluation Period a success. Two consecutive months of the following need to occur in order to deem the EP a success:

- 95 % of TSP invoices paid without incurring Prompt Payment Interest
- 95% of PSIs paid by DFAS within 15 days

A key to measuring success is to identify As-Is metrics as a baseline for comparing the To-Be process. The current program allows TSPs to bill their invoices via EDI to DFAS-IN and TSPs on average receive payment in 6 days. This process is not considered compliant with the GSA pre-payment audit requirements, as there is limited prepayment review of the invoice prior to payment. Paper invoices are paid on an average within 38 days. In addition, the Phase I process eliminates the PPSO signed 619 process, whereby the TSP would await the PPSO signature before submitting an invoice to DFAS. As there are no metrics available on the 619 turnaround timeframe, in conjunction with the non compliant EDI process, a true comparison of the current program and Phase I cannot be made.

The progression beyond the Evaluation Period therefore will be primarily dependent upon accomplishing the following:

1. Meet or surpass Evaluation Period Success Criteria
2. Develop and test Automated Backend to include the TGET functionality in CWA

**Appendix F: Memorandum of Agreement between Military Services
and the US Coast Guard**

Families First Program

Memorandum of Agreement

between

Military Services and the U. S. Coast Guard

February 11, 2004

2/18/2004

I. BACKGROUND AND OBJECTIVE

The U.S. Coast Guard (CG) and the Military Services hereby enter into a reciprocal agreement for each agency to provide Personal Property Shipping Office (PPSO) functions for the other agency in the payment of Transportation Providers (TP) invoices in PowerTrack under the Families First Program Phase I. In addition, this agreement also covers the CG Certifying Officer's (CO) responsibility for certifying PowerTrack Summary Invoices (PSI) for non-CG shipments at the CG installations.

The PPSO/CO functions covered in the agreement will be provided at no cost to either agency. The agreement covers services to be provided in calendar year 2004. While a firm start date has not been defined at this time, Q1 2004 will serve as targeted start-date frame for the CG and the Military Services to provide reciprocal PPSO functions under Families First Program Phase I.

II. STATEMENT OF WORK

As basis for the Statement of Work, please refer to the latest version of the Families First Electronic Bill Payment Phase I – Concept of Operations - DRAFT. Version 7 of the Concept of Operations was released on December 16, 2003.

Section 4.0 in the CONOPS outlines the processes for Families First Electronic Bill Payment Phase I, while Section 5.0 details the key business rules associated with the processes. The specific business rules associated with this Memorandum of Agreement are detailed under Services Approval (Step 5.0 in the Process Flow) under g. and PSI Certification (Step 11.0 in the Process Flow) under i. and j.

III. TRAINING

Each organizational entity is responsible for ensuring that its Agency personnel are properly trained in using CWA and US Bank's PowerTrack System.

IV. POINTS OF CONTACT

Air Force

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E-mail address: Sharon.Goodson@pentagon.af.mil
Address: HQ,USAF/ILGT, 1030 AF Pentagon
Washington, DC 20330-1030
Phone number: 703-697-1078
Fax Number: 703-697-4316

Army

Name: Mr. Gene A. Thomas
E-mail address: Gene.Thomas@hqda.army.mil
Address: DALO-FPT (Pentagon 1D343)
Phone number: (703) 614-1029
Fax Number: (703) 614-6013

2/18/2004

Coast Guard

Name: Kelvin Hunter
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U.S. Coast Guard
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Washington DC 20593
Phone number: 202-267-2209
Fax number: 202-267-4823

Marine Corps

Name: GS-12 Willie County
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2-Navy Annex
Washington DC
Phone number: (703) 695-7762/5
Fax Number: (703) 695-8160

Navy

Name: Susan S. Ducombs
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P.O. Box 2050
Mechanicsburg, PA 17055-0791
Phone number: (717) 605-5862
Fax Number: (717) 605-5854

V. PERIOD OF PERFORMANCE

This Memorandum of Agreement shall be in effect from February 17, 2004 through December 31, 2004.

VI. MODIFICATIONS

This agreement is subject to modification based upon general policies of the Services, SDDC and the Coast Guard. Any change in the parties' obligations under this agreement will be formalized by an appropriate written amendment to this agreement, which will specify the exact nature of the change and will be signed by each party.

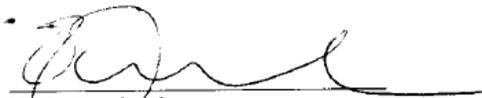
VII. EXPIRATION & TERMINATION

Upon signature of both parties, this agreement is effective February 17, 2004 and shall expire December 31, 2004. Either party may terminate this Agreement by providing 60 days written notice to the other.

2/18/2004

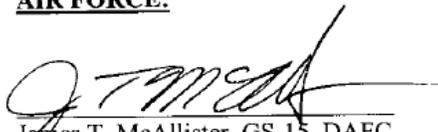
VIII. SIGNATURES

US COAST GUARD:



K.D. Forslund
Captain, U. S. Coast Guard
Chief, Office of Military Personnel

AIR FORCE:



James T. McAllister, GS-15, DAFC
Chief, Personal Property & Passenger Policy Division
Director of Logistics Readiness
DCS/Installations & Logistics

NAVY:



A. Dunne-Hayes
Captain, SC, USN
Deputy Commander
Navy Family Support

ARMY:



E. Nelson Chandler
Chief, Transportation &
Distribution Division
ODCS, G-4, HQDA

MARINE CORPS:



Robert S. Thien, GS-15,
Head, Logistics Distribution Branch
Installations and Logistics
Headquarters, U.S. Marine Corps

2/24/2004

Appendix G: Prompt Payment Act Procedures

(Placeholder)