



DEFENSE FINANCE AND ACCOUNTING SERVICE
P.O. BOX 182317
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DFAS-JA/CO

August 30, 2022

MEMORANDUM FOR DEFENSE CONTRACT MANAGEMENT AGENCY
CONTRACT POLICY DIVISION

DEFENSE FINANCE AND ACCOUNTING SERVICE CLIENT EXECUTIVE
LIAISONS

SUBJECT: **REVISED 2022 Fiscal Year-End Processing for Cancelling Year Invoices**
– Mechanization of Contract Administration Services (MOCAS) Division

In accordance with Public Law 101-510, invoices that cite cancelling year appropriations must be disbursed before the funds cancel on September 30, 2022. As of January 21, 2022, the year-to-date funds in jeopardy of cancelling on 30,959 Accounting Classification Reference Numbers (ACRNs) total \$3 Billion. For assistance in identifying cancelling appropriations and contracts which cite them, please contact your Defense Contract Management Agency (DCMA) representative for a list of the affected contracts and fund codes.

Defense Finance and Accounting Service (DFAS) Columbus, MOCAS Division (DFAS-JAL) requested for invoices citing canceling appropriations to be submitted no later than **Friday, July 1, 2022**. The **REVISED** last MOCAS cycle for fiscal year-end will run the night of **Wednesday, September 28, 2022**, with payments dated **Thursday, September 29, 2022**. DFAS will make every effort to pay invoices received after **July 1, 2022**, but cannot ensure payment will be made prior to the cancelation of funds.

Following the guidelines for proper submission of invoices outlined in Attachment 1 will increase payment timeliness. Additionally, Attachment 2 provides recommended guidelines to facilitate the fiscal year-end process.

If you have any questions concerning this memorandum, please contact Michael Jusick, DFAS-JAL/CO, 614-701-4372, email: michael.w.jusick.civ@mail.mil or Erica Mauter DFAS- JAL/CO, 614-701-4438, email: erica.n.mauter.civ@mail.mil

Stacy M. Son
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Attachments:
As stated

www.dfas.mil

Attachment 1.

Invoice Criteria

- a. All invoices submitted for payment must be accurate and comply with contractual terms. Invoicing, Receipt, and Acceptance in Wide Area Workflow (WAWF) must be used for invoice submission, unless a waiver has been granted.
- b. DD Form 250, if applicable, must be distributed and approved in WAWF.
- c. Contractors must have active System for Award Management (SAM) registrations and should ensure that all banking information is current and accurate. In addition, SAM registrants must also have their Tax Identification Number validated by the Internal Revenue Service prior to payment. It is highly recommended that any SAM registrations that are due to expire in September be updated during the month of August. If a contractor is exempt from SAM registration, they need to ensure that a valid remittance address is cited in the contract.
- d. Any contract deficiency affecting payment must be corrected either via a Modification or DCMA Form 1797. Additionally, the correcting document must also be input into MOCAS by Friday, July 29, 2022.
- e. Sufficient funds must be available on the contract and respective ACRNs to process the invoice. Requests for contract adjustments need to be submitted as soon as possible and clearly identified as cancelling fund adjustments to allow sufficient time for processing. If the adjustment impacts an invoice, the request must be received by Friday, July 29, 2022.
- f. All payments must be validated to the accounting records prior to disbursement to ensure ease of prevalidation.
 - Note: The prevalidation threshold is currently at \$5,000 for all FY04 and earlier contracts. Prevalidation is performed on all invoices on FY05 and later contracts. The prevalidation process takes a minimum of 48 hours and should be considered in the case of all late invoice submissions.
- g. If necessary to submit a hard copy invoice, please ensure that a black “M”, at least two inches tall, is placed at the top of the invoice or voucher. If numerous invoices are being submitted and the Administrative Contracting Officer (ACO) has priority invoices, we recommend that they notify and coordinate with the appropriate point of contact ahead of time. In order to facilitate the proper distribution of a hard copy invoice, we recommend contacting the Centralized Customer Service Office at 1-800-756-4571, option 1 to notify them of the invoice submission.

h. Hard copy invoices should be submitted via fax to the TIER II Branch at the following toll-free numbers: HQ0337 (North): 866-837-8036, HQ0338 (South): 866-473-5429, HQ0339 (West): 877-749-4843

Attachment 2.

Fiscal Year-End Recommended Guidelines

As of January 2022, we had 1,777 cancelled funds (DMACT) invoices valued at \$45M in the Accounts Payable MOCAS inventory. Of this, roughly 1,283 are cost vouchers (BVNs) valued at \$26.9 M. As we approach another fiscal year-end, we wanted to share a few “recommended guidelines” to facilitate cancelling funds management.

1. Encourage early billing – Beat the rush and require submission of cancelling funds invoices now!
2. Encourage submission of interim final cost vouchers when the final reviews/rate determinations have not been completed.
3. Promptly assess reconciliation needs and immediately submit 1797 requests prominently identifying cancelling funds impact.
4. Assess delivery schedules and encourage timely billing submissions.
5. Remind contractors to confirm compliant SAM registrations and current EFT information.
6. Be careful with unilateral cancelling funds deobligation. Ensure there are no plans for future billing submissions.
7. Credit amounts billed against cancelled appropriations should be refunded to the Government via EFT through Pay.Gov or check. We cannot process a credit against a cancelled appropriation. We have accommodated these billings in the past through the subsequent processing of 1081 adjustments; however, we can no longer continue this practice due to appropriateness/audit concerns and the processing costs charged to our military service customers. *****Going forward vouchers submitted with this condition will be rejected for correction and resubmission.**
8. Be careful with “credit” values on multi-service cancelling funds cost vouchers. DFAS cannot issue a “net” credit disbursement.
9. Encourage “payment waivers” for low dollar (<\$250) cancelled funds cost voucher submissions. If the contractor agrees, they can submit a \$0 final cost voucher to facilitate contract closeout.
10. Remember that contractual PGI payment instructions cannot be changed, even to prevent funds cancelation, without a contract modification.

As always, please work with your cognizant PCO/ACO leadership for final directions in the management of the cancelling funds process for your activity.