



**DEPARTMENT OF THE NAVY**

**NAVAL TRAINING CENTER**

**2601A PAUL JONES ST**

**GREAT LAKES, ILLINOIS 60088-3000**

NTCGLAKESINST 7300.1A

T4

09 MAY 00

NTC GREAT LAKES INSTRUCTION 7300.1A

From: Commander, Naval Training Center, Great Lakes

Subj: PROMPT PAYMENT ACT

Ref: (a) DOD Financial Management Regulation, Vol 10,  
Chapter 7

Encl: (1) Payment Certification Information

1. Purpose. To issue guidance to Naval Training Center staff and component commands on the submission and processing of invoices for payment by the Defense Finance and Accounting Service (DFAS), Pensacola, Florida.

2. Cancellation. NTCGLAKESINST 7300.1. This instruction has been substantially revised and should be reviewed in its entirety.

3. Background. The Prompt Payment Act (PPA), Public Law 97-177 of 21 May 1982, requires payment of interest on invoices not paid by the due date. This instruction, providing up-to-date information regarding the Navy's bill paying process, applies to all contracts awarded or renewed on or after 1 April 1989.

4. Discussion

a. The due date is defined as 30 days after acceptance. The 30-day time period will begin with the latter of:

(1) The date a proper invoice is received by the designated receiving activity; or

(2) The date of acceptance, no more than seven calendar days after actual delivery of materials or service. Payment can be exempt from the seven day acceptance only if a longer acceptance period is included in the contract. Interest for late payments resulting from the seven day presumptive acceptance rule will be coded Reason C (delay in obtaining the required certification of invoice) and will be charged to the receiving activity's Unit Identification Code (UIC).

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b. Grace period payments for all contract types have been eliminated.

c. Discount terms will be calculated based on the vendor's invoice date. If the receiving activity fails to annotate the invoice receipt date on the invoice, the date of invoice will be used to compute the due date.

d. It is the goal of the Commander, Naval Training Center, Great Lakes, to submit properly certified invoices to the DFAS within three business days after receipt.

e. The receiving activity must return improper invoices to the vendor as soon as possible, but not later than three days after receipt, and will specify reason for the return.

f. If a vendor does not receive the interest payment within 10 days from the invoice payment date, he/she may make a written demand for interest. If so, he/she will be entitled to an additional penalty. The Office of Management and Budget has established the penalty amount to equal 50 percent of the original interest payment for contracts awarded on or after 1 April 1989 and 100 percent on contracts awarded after 1 October 1989.

g. Payment for dairy products and edible fats or oils will be made not later than ten days (versus 30 days) after receipt of a proper invoice.

## 5. Action

### a. Receiving and Certifying Activity

(1) Invoices shall be stamped upon opening of the mail.

(2) Review of all invoices shall be performed to detect improprieties and eliminate delays. Make sure defective invoices are returned to the vendor within three days after receipt with a letter explaining the invoice errors and requesting corrective action. Do not make annotation on invoices. (An invoice that has been rejected by DFAS is still working against the clock and will cause interest to

accumulate.) A proper invoice is defined in reference (a). The transmittal letter and the invoice certification stamp should provide a complete history of the invoice from date of issuance to the date forwarded to the paying office.

(3) The following is a checklist to make certain invoices forwarded to DFAS are complete.

(a) Invoice number and date.

(b) Contract number on invoice matches with the DD Form 1155.

(c) Description of measure, quantity, and unit price match the DD Form 1155. (Note: If invoice is for a partial issue it should be so noted on the invoice.)

(4) Provide the required certification information on the reverse of the original invoice. Enclosure (1) provides the recommended format. A rubber stamp may be used to display this information. If the invoice size or configuration does not allow for certification on the reverse side, attach an addendum sheet to the invoice which contains the required information. With the high quality of copying machines, it is difficult for DFAS bill paying personnel to distinguish between original and photocopied signatures. This could result in duplicate payments. Invoices must be certified using an ink pen with a color other than black.

(5) Submit properly certified invoices to DFAS within three business days after the latter of invoice receipt or acceptance of goods and services to avoid payment of interest or loss of discounts.

(6) Tag all invoices offering a discount with a pink NAVCOMPT Form 442, NSN 0104-LF-700-7201. These color-coded tags assist DFAS in identifying high priority invoices and reduce the incidence of lost discounts.

(7) Submit original invoice, a copy of the obligating document, i.e., DD Form 1155, and one copy of the receipt

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certification and NAVCOMPT Form 2035 to DFAS, PEFPV Navy Branch,  
P.O. Box 33900, Pensacola FL 32508.

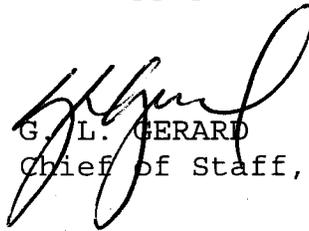
(8) Ensure copies of all contracts and amendments are sent to DFAS within three days after being signed.

b. NTC Comptroller

(1) Review obligations transmitted via FASTDATA and process into Standard Accounting and Reporting System - Field Level (STARS-FL) in a timely manner.

(2) Correct suspense listings daily.

6. Forms. NAVCOMPT Form 442, DD Form 1155, and NAVCOMPT Form 2034 are available through normal supply channels.



G. L. GERARD

Chief of Staff, Operations

Distribution:  
NTCGLAKESINST 5216.5M  
Lists I, II

**EXAMPLE OF PAYMENT CERTIFICATION FORMAT**

CONTRACT AWARD DATE \_\_\_\_\_

INVOICE RECEIPT DATE \_\_\_\_\_

MATERIAL/SERVICES RECEIPT DATE \_\_\_\_\_

MATERIAL/SERVICES ACCEPTANCE DATE \_\_\_\_\_

DATE FORWARDED TO PAYING ACTIVITY \_\_\_\_\_

UIC OF CERTIFYING ACTIVITY \_\_\_\_\_

SUMMARY BILLING DATE \_\_\_\_\_ (NOTE 1)

ACCEPTANCE PERIOD \_\_\_\_\_ (NOTE 2)

TYPE OF PAYMENT: (PARTIAL OR  
FINAL) \_\_\_\_\_ (NOTE 3)

INVOICE REJECTION DATE \_\_\_\_\_ (NOTE 4)

DATE CORRECTED INVOICE RETURNED  
FROM VENDOR \_\_\_\_\_ (NOTE 4)

I certify the data provided is accurate, charges have been applied to the appropriate accounting classification reference number (ACRN), and the above invoice is correct and proper for payment.

\_\_\_\_\_  
Signature of Certifying Activity

Enclosure (1)

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#### NOTES

General: Receipt certifying activities must ensure that before an invoice is submitted for payment, the following information is available on the supporting documentation (on the invoice/receipt certification endorsement/NAVCOMPT Form 2035).

NOTE 1: Required when the contract specifies a periodic summary billing (i.e., Blanket Purchase Agreements) for a number of individual purchases. Enter the date shown on the summary billing statement submitted by the vendor.

NOTE 2: Required when contract terms specify the number of days receipt certifying activities have to accept materials or services. Enter the number of days allowed by the contract for acceptance or seven calendar days for contracts awarded or renewed on or after 1 April 1989 or five workdays for those contracts awarded or renewed on or after 22 February 1988 but before 1 April 1989.

NOTE 3: Type of payment must be indicated to maintain the integrity of Fund Administrators obligations and accounts payable balances. If left blank it will be processed as PARTIAL.

NOTE 4: Required when the invoice contained deficiencies and was returned to the vendor for correction.

Enclosure (1)