

S E C R E T

28 February 1966

OFFICE OF FINANCE INSTRUCTION NO. 102, Revised

SUBJECT : General - Financial Accounting for Property

Specific - Procedure for Processing Property Purchases and Expenditures

RESCISSION: Office of Finance Instruction No. 102, dated 15 October 1963

1. PURPOSE

This Instruction establishes responsibilities and prescribes accounting procedures for property purchases by the Office of Logistics at headquarters subject to headquarters property procedures and purchases at Type I field installations which are for payment at headquarters, as well as the related payment transactions.

2. GENERAL

All amounts due for the property ordered by headquarters will be recorded by the Office of Finance in a credit balance nominal account and payments therefor will be recorded in a separate debit balance nominal (expenditure) account. Amounts due for property ordered locally by Type I field installations for which settlement will be made by headquarters will be credited to a clearing account on headquarters records and payments therefor will be charged to such clearing account.

3. RESPONSIBILITIES AND PROCEDURES

a. The Office of Logistics shall:

- (1) Code and process as "input" to the computer (Office of Computer Services), receiving reports for property which is subject to headquarters property procedures.
- (2) Forward to the Office of Finance on a daily basis a listing of all property received involving payment action (items identified with transaction analysis codes, 1A, 2A, 7E, 7I, 7M, 7Q, 7R, and 7U). Such listing will be "hard copy" by-product produced at the time the paper tape input to the computer is prepared. The listings are to be certified and controlled by sequential numbers and whenever any daily activity includes none of the designated transactions this fact will be affirmatively covered by certification. Copies of all receiving reports listed will be attached except

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GROUP 1
Excluded from automatic
downgrading and
declassification

when items previously rejected by the computer are relisted, in which case the item will be lined out and so identified as a "relisted item". The "hard copy" listing and each receiving report appended thereto shall include a cross-reference rubber stamp which identifies the date of key-punching for input to Office of Computer Services property records.

b. The Accounts Division shall:

- (1) Prepare posting vouchers to record acquisitions of property subject to headquarters property procedures based upon listings prepared by the Office of Computer Services from data furnished by the Office of Logistics.
- (2) Prepare posting vouchers to record acquisitions of property at Type I installations for which payment will be effected at headquarters. For property ordered by headquarters and shipped by vendors directly to Type I installations, these recordings will be based upon schedules of Transmittal of Receiving Reports received from Type I installations; these vouchers will be prepared as the schedules of Transmittal are received and will be recorded as credits to account 607, Property Purchased - Acquisitions. For property procured locally [REDACTED] such recordings will be based on the Type I installation monthly property report and will be recorded as credits to account 195.9, Property Procured Locally by Type I Installations - Clearing Account.
- (3) Forward to the Supply Division, Office of Logistics for such research and action as may be deemed necessary by that Office, quarterly listings as follows:
 - (a) A listing of unmatched acquisition and payment transactions which will include (1) the date of entry of Finance voucher and Finance voucher number, (2) the day of the month as of which Logistics processed receiving reports to OCS, (3) the purchase order number, (4) the receiving report number, (5) receiving installation location code, (6) the debit amount, (7) the credit amount, and (8) the difference. The listing will show all transactions for which debits were recorded during the quarterly period together with all debits and credits identified by the same purchase order and receiving report numbers recorded during the current or preceding fiscal years except transactions for which the debit and credit dollar amounts are equal. (The debit and credit data relating to the prior fiscal year will be on magnetic tapes retained by OCS although the nominal accounts for the prior fiscal year would have been closed as of the prior 30 June.) In this listing all debits representing partial payments will be identified by a special coding.

(b) A listing of credits representing property received subject to headquarters property procedures for which there have been no offsetting debits representing payments with the same purchase order and receiving report number recorded in the current or the preceding fiscal years; however, this list will include only such credits which were recorded nine months or more prior to the close of the quarter covered, e. g., the listing prepared for the quarter ended 30 June will include only credits recorded on or before the preceding 30 September.

c. The Certification and Liaison Division shall:

- (1) Verify that each receiving report received from the Office of Logistics with each controlled, certified listing includes a cross-reference rubber stamp which identifies the date of key-punching for input to OCS property records.
- (2) Identify each receiving report covering purchases at Type I installations for which payment will be effected at headquarters with a distinguishing rubber stamp which shows the date of the schedule of Transmittal with which the report was received.
- (3) Audit and certify for payment billings for property subject to headquarters property procedures and billings for property purchases at Type I installations for which payment will be effected at headquarters in accordance with normal audit criteria. In auditing billings for payment, only those receiving reports identified with date stamps as provided for in paragraphs c(1) and (2) above will be utilized as evidence of receipt of property except for receiving reports received prior to the inception of the procedure for identifying such reports by rubber stamp date of key-punching or related schedule of Transmittal.

4. EFFECTIVE DATE

This procedure will be effective 1 May 1966 except that the provisions set forth in paragraph 3a(2) above were implemented as of 2 February 1966.

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[Redacted Signature]

Acting Director of Finance

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Concur:

[Redacted Signature]

Director of Logistics

5 April 1966
Date