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DRAFT: CCP/JAC (Approved For Release 2003/05/14 : CIA-RDP79-00407A000100040031-5)

MEMORANDUM FOR: Director of Logistics

SUBJECT : Billings from Other U. S. Government Agencies

REFERENCES : (a) Your memorandum of 20 June 1966, same subject
(b) Section 601 of the Economy Act of 1932 as amended (31-UECA-686(a))
(c) GAO Policy and Procedures Manual for Guidance of Federal Agencies, paragraph 4230.20
(d) Federal Property Management Regulations, Amendment No. E-15, dated 30 March 1966
(e) Our memorandum of 2 April 1965, subject: Development of Compatible Logistics and Finance Procedures for Recording Property Procurement
(f) Office of Finance Instruction No. 71, Revised, 22 December 1965
(g) Office of Finance Instruction No. 102, Revised, 28 February 1966

1. Consistent with your recommendation in reference (a) and the authority contained in references (b), (c) and (d), this Office will continue in effect the policy of paying billings from other U. S. Government agencies promptly upon their receipt, subject to adjustment by the billing agencies of significant errors disclosed by subsequent audit.

2. With respect to billings received from elements of the Department of Defense and General Services Administration, covering MILSTRIP and FEDSTRIP procurement, this Office is concerned about the extensive use of manpower required to manually process the large volume of MILSTRIP/FEDSTRIP documents received and the necessity for identifying MILSTRIP/FEDSTRIP document numbers to related Logistics voucher numbers for the purpose of recording payments in the property system. A more comprehensive presentation of this problem, together with a recommendation for development of compatible Logistics and Finance procedures for utilizing computer capabilities in recording property transactions under the MILSTRIP/FEDSTRIP system, is contained in reference (e).

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It is recognized that, due to the involved computer programming requirements.

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the proposed application of the FEDSTRIP and MILSTRIP systems to the Agency property system as envisaged in reference (e) cannot be implemented immediately; however, this Office recommends that the groundwork for development of the necessary procedures be started as soon as possible.

3. In addition to the recommendation in paragraph 2, above, this Office proposes a simplification of payment and post-audit procedures relative to subject billings, which can be implemented immediately, by modification of Agency policy to make it mandatory that FEDSTRIP and MILSTRIP billings be accepted as "constructive evidence of receipt" for payment purposes. Under this concept, our Office would process such billings for payment as allotment expenditures immediately upon their receipt, subject to adjustment by the billing agencies upon subsequent identification by your Office of any discrepancies due to failure to deliver in accordance with the requisition. This Office would support its action in certifying the billings for payment by recurring reviews on a selective basis of the detailed receiving records maintained in the Office of Logistics to assure the adequacy of verification by that Office of deliveries against MILSTRIP and FEDSTRIP requisitions for which payment has been made.

4. Implementation of the above proposal will require revision of references (f) and (g), and some arrangements should be included to provide the Office of Logistics Budget and Fiscal Branch with information to permit liquidation of its procurement allotment obligations. It will also be necessary for the Office of Logistics to:

- a. Revise the Document-Voucher Cross Reference Register (currently being furnished to the Office of Finance by the Office of Logistics) to include the applicable FAN account number to be charged for each procurement action.

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- b. Discontinue forwarding to this Office copies of authorizing and receiving documents for FEDSTRIP and MILSTRIP purchases.
- c. Periodically, analyze unmatched acquisition and payment transactions identified by FEDSTRIP/MILSTRIP and Agency Purchase Order numbers (formerly identified by receiving report/purchase order number) on listings prepared by the Office of Computer Services, and initiate action where necessary to adjust discrepancies due to failure to deliver in accordance with the requisition.

4. If effectively executed, the policy and procedural changes proposed herein should result in reduction of paperwork in both the Office of Logistics and this Office. If your Office concurs that this general proposal has significant merit, it is recommended that you designate a representative to collaborate with a representative of this Office's Policy and Planning Staff on the development of detailed procedures in coordination with the Office of Computer Services.

R. H. FUCHS
Director of Finance

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<input type="checkbox"/>	ACTION	<input type="checkbox"/>	DIRECT REPLY	<input type="checkbox"/>	PREPARE REPLY
<input type="checkbox"/>	APPROVAL	<input type="checkbox"/>	DISPATCH	<input type="checkbox"/>	RECOMMENDATION
<input checked="" type="checkbox"/>	COMMENT	<input type="checkbox"/>	FILE	<input type="checkbox"/>	RETURN
<input checked="" type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

Remarks:

As a result of our recent meeting, am attaching a redraft of the memo to O/L on Billings from Other U. S. Government Agencies. Per our conversation, would appreciate your expediting concurrence or comments.

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FROM: NAME, ADDRESS AND PHONE NO.		DATE
Policy and Planning Staff Office of Finance 615		9/6/66

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