

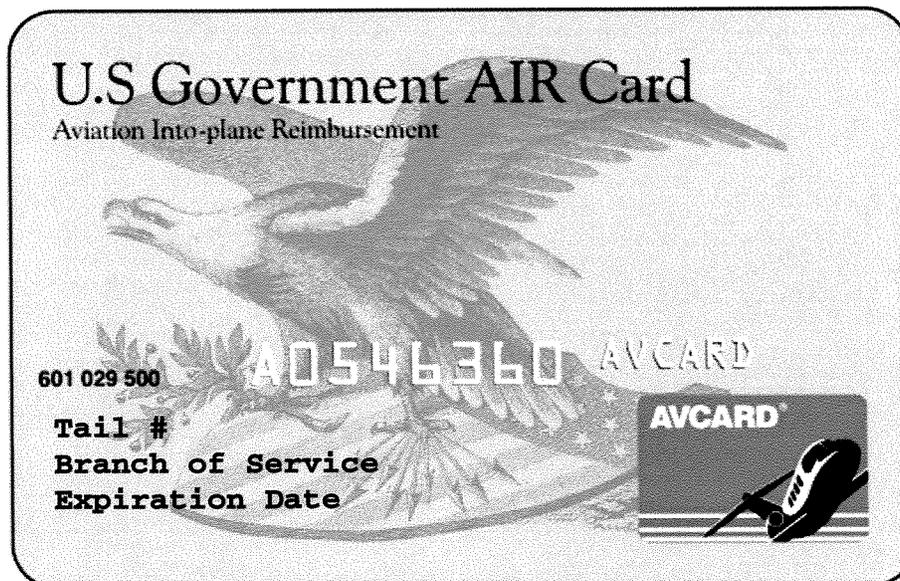


AIR Card

(Aviation Into-Plane Reimbursement Card)

Desk Guide

March 2003



Defense Energy Support Center
8725 John J. Kingman Road
Suite 4950
Fort Belvoir, Virginia 22060-6224
AIRcard@dla.mil

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Recommendations for changes or additions to this Desk Guide are encouraged and should be submitted to DESC, at the address listed on the front cover.

CHAPTER I

INTRODUCTION

A. PURPOSE

This Desk Guide has been established to provide standard operating procedures (SOP) as well as to train and assist card holders, authorizing officials, and various customers in the use of Aviation Into-Plane Reimbursement (AIR) Cards.

B. DEFINITIONS

1) AIR Card: The Aviation Into-plane Reimbursement (AIR) Card. The AIR Card is a commercial credit card, co-branded by the AIR Card Contractor (currently Kropp Holdings Inc., doing business as AVCARD). The AIR Card is used as a payment mechanism and identification card by U.S. Government aircraft for the purchase of fuel and/or ground services at commercial airports; airport locations under DESC into-plane contract and at non-DESC contracted locations, holding merchant agreements with the ACC.

2) AIR Card Contractor (ACC): The contractor providing services for the U.S. Government's AIR Card Program.

3) Ancillary (Ground) Services: Any authorized services purchased at a commercial location other than fuel. In conjunction with DESC fuel cards, this term refers to services over and above what is covered in an into-plane fuel contract (e.g., defuel, reservice, de-icing, lavatory services, catering, towing, oil, engine start, backhaul charges, etc.). These charges are billed separately to the home station payment office under split billing procedures.

4) Any A/C: Stands for "Any aircraft". It is a designation on certain AIR Cards that identifies the unit to be charged for fuel lifted in situations where the credit card assigned by tail number is not the incurring unit. A credit card identified with "Any A/C" allows "any aircraft" to refuel using that card. These cards are assigned to specific units rather than individual planes.

5) AVCARD: The corporate name of the current AIR Card Contractor (ACC), also know as Kropp Holdings, Inc., doing business as AVCARD.

6) Aviation Storekeeper Information Tracking System (ASKIT): A standalone, PC based accounting system used by Navy/Marine Corps for "O" level aviation OPTAR accounting. Records obligation data for aviation fuel and administrative

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costs. Also used by support activities to track OFC-02, OFC-10 and OFC-94 obligations and expenses.

7) Credit Card Processor: A bank, financial enterprise, firm, or company under contract with DESC to process payments and invoices for any of DESC's fuel card programs (AIR, SEA or DoD Fleet Card).

8) Defense Automatic Addressing System Center (DAASC): A data repository used across DoD service organizations and some Federal Civilian agencies that facilitates receipt and transmission of logistics data sharing by supporting numerous protocols and formats between OPLOCs.

9) Defense Energy Support Center (DESC): A field activity of the Defense Logistics Agency (DLA) responsible for providing the Department of Defense and other government agencies with comprehensive energy solutions. DESC is the contracting activity for Into-plane contracts and AIR Card Program.

10) Defense Finance and Accounting Service (DFAS): The DoD component responsible for payment of invoices.

11) Defense Logistics Agency (DLA): DLA is a combat support agency per 10 US Code Section 193 which provides worldwide logistics support for the missions of the Military Departments and the Unified Combatant Commands under conditions of peace and war. DLA also provides logistics support to other DoD Components and certain Federal agencies, foreign governments, international organizations, and others as authorized.

12) Department of Defense Activity Address Code (DoDAAC): An unique six-position, alphanumeric code assigned to identify a specific unit, activity, or organization for various administrative and resource management functions; such as interservice support agreements, supply, procurement, personnel, and transportation support. See Paragraph C, DODEA Administrative Instruction 4100.1, accessible on the Internet at http://www.odedodea.edu/foia/iod/pdf/4100_1.pdf

13) Department of Defense Flight Information Publication (FLIP): The FLIP is an En Route Supplement, which is available for worldwide regions. FLIPs are updated approximately monthly and can be found at base operations flight planning facilities. Listings are by airport name (i.e. John F. Kennedy) as opposed to city name. The listings give pertinent airfield information, including a summary of fuel types available, contract refueling support, and availability of Liquid Oxygen (LOX) and de-mineralized water. The file gives no indication as to quantities available or the dispensing rate into aircraft. A legend at the beginning of each book provides further guidance on reading the airport summaries.

14) Fuels Automated System (FAS) - includes ED/OGF: A vertically integrated automated information system consisting of base-level components and "enterprise" level systems providing visibility of bulk fuel assets and fuel transactions to Services, CINCS, vendors, and DESC.

15) FAS Enterprise Server (FES): The FAS Enterprise Server, also referred to as the "Purple Hub", is a web-based environment that collects, routes, and reports transactions among bases, contractors, DESC, DFAS and other entities.

16) Fund Administration and Standardized Document Automation System (FASTDATA): Consists of two interfaced applications, one for Fund Administrators and one for Sites. A Fund Administrator establishes and sends the financial framework to a Site. Site users import the financial data for local use. At scheduled times, the Sites export data back to the FA, who can export and import STARS-FL data. FASTDATA automates the control and entry of source documents. The FASTDATA software automatically assigns document numbers, eliminating the problem of missing and duplicated numbers. Users generate forms from entered data. Obligations are posted and expenditure reporting is available. FASTDATA captures transactional information from entered documents, then reuses this data many times to fulfill supply, accounting, financial management, and contractual requirements. FASTDATA links the supply process of ordering and receiving materials and services to the accounting process.

17) Fixed Base Operator(s) (FBO): A company who is authorized to operate on the airport as a fuel supplier. An FBO may also provide other ground handling services, aircrew aids, or services other than fuel.

18) Flight Package: Is used to support requirements for material and services when aircraft are away from the supporting unit. Flight packages will contain documents necessary to procure parts, fuel, lodging, and meals from both military and civilian sources.

19) Government Purchase Card(s)/GPC: Use of this card for fuel purchases by **DoD military components, is prohibited.**

20) Government Travel Credit Card (GTCC): Use of this card for fuel purchases by **DoD military components, is prohibited, except for rental vehicles.**

21) Identaplate: DD Form 1896/DD Form 1897, Jet Fuel and AVGAS Identaplates. Plastic identification card(s) embossed with specific aircraft and billing information. An identaplate may be presented by an ordering official prior to refueling on military installations or foreign military bases.

22) Into-Plane: (Aviation fuel) A supply program whereby the DESC contracts with a vendor to refuel government aircraft at commercial airports with specified product(s). The fuel, lube oil, and refueling facilities and equipment are supplied by

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the contractor. The use of Government refueling trucks, equipment, bladders, etc. is not authorized unless stipulated in the into-plane contract. Commercial aircraft under a Government charter or contract may be authorized to refuel at into-plane locations. See Authorized Customers on the DESC website.

23) Into-Plane Contract: A contract awarded to Fixed Base Operators (FBO's) for the purchase of aviation fuel at commercial airports.

24) Intra-Governmental Payment and Collection (IPAC) System: A major component of the Government On-Line Accounting Link System II (GOALS II). The IPAC application's primary purpose is to provide a standardized interagency fund transfer mechanism for Federal Program Agencies (FPAs). IPAC facilitates the intra-governmental transfer of funds, with descriptive data from one FPA to another.

25) Legacy Financial Accounting Program: The financial accounting program handed down from the past for your particular branch of service; i.e., ODS, SABRES, STANFINS, GAFS, STARSFL, etc.

26) Memorandum of Agreement/Understanding (MOA)/(MOU): Defines general areas of conditional agreement between two or more parties. Performance by one party is dependent on the performance of the other party.

27) Open Market/Local Purchase: Purchases made for fuel, **excluding** other goods/services, on the open market and not under DESC contract. (Also see 3rd Tier Standard Price).

28) Operational Necessity. A basic element or situation inherent to mission function. Open market/local purchase shall be deemed an operational necessity where the service mission or function cannot be successfully completed without an open market/local purchase.

29) OPLOC: DFAS Operating Location. This is the lowest formal operating element of DFAS.

30) OPTAR: Operating Target: An estimate of the amount of money assigned to an activity by the Type Commander (TYCOM) in a particular OPTAR Functional Category (OFC) to perform necessary tasks or functions.

31) Ordering Officer: Ordering Officer means whichever of the following or their designated representatives is applicable: (1) the Commander, Defense Energy Support Center; (2) the Commander, Defense General Supply Center; (3) the Commander, U.S. Army Petroleum Center; (4) the Commanding Officer, U.S. Navy Petroleum Office; (5) the Director of Air Force Aerospace Fuels; (6) the Chief of the Air Force Aerospace Fuels Office; (7) the Officer in charge of the Federal Government activity encompassing any delivery point indicated in the Schedule; (8) the Commanding Officer or the Master of the vessel to be bunkered; (9) any Government Contractor furnishing evidence of

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authority to order under contract; (10) the head of any Federal Government agency; (11) the pilot, the flight commander, the aircraft commander or the crew chief of the U.S. designated aircraft authorized to place orders against into-plane contracts; (12) the Contracting Officer; (13) the individual in charge of ordering coal at the receiving Government activity; (14) the driver of a Federal vehicle or boat, or the pilot of a government aircraft; (15) the Navy Fleet Commanders; (16) the Defense Attaché Officer.

32) PPC: Prompt Payment Certification - A certification that must accompany each and every non-fuel invoice billed by the ACC and sent to DFAS in accordance with Federal Acquisition Regulation (FAR) Subpart 32.9 and 5 CFR Part 1315.

33) Service Control Point (SCP): Established by each of the Military Services. The SCP serve as the central management function of the respective service in coordinating requirements, technical issues, and supply actions with military units and DESC. A list of SCP's is available in DoD 4140.25-M, Vol I.

34) Split Billing: A specific requirement for fuel card processors under contract with DESC to separate purchases of fuel from other goods and services on each invoice. Fuel product invoices are then electronically forwarded to Defense Finance & Accounting Service (DFAS) for payment, and the remaining non-fuel "split" purchase(s) are billed directly to the home station payment office by the applicable credit card processor.

35) Standard Accounting, Budgeting and Reporting System (SABRES): The Marine Corps accounting system for Marine Corps Operations and Maintenance, Marine Corps Reserve appropriations. For detail instructions see MARINE CORPS ORDER P7300.

36) Standard Accounting and Reporting System-Field Level (STARS-FL) System that offers fund administration personnel nearly real-time visibility of financial information at the detailed transaction level. Each transaction and over all fund balances at the operating budget level are visible to the fund administrators.

37) Standard Army Financial System (STANFINS) The Army's principal financial management system.

38) Standard Industrial Funded System (SIFS) Financial system used by Army Industrial-type operations, e.g., ammunition pants.

39) Standard Operating Maintenance Army Research & Development System (SOMARDS) The Army financial system used by Research Development/Test and Evaluation (RDT&E) activities.

40) Standard Price: An established fuel price based on product for a given fiscal year and billed to a qualified end user. The standard price is established well in advance of the fiscal year in which it is used and is a budgeting tool used to

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project anticipated fuel costs. It is based upon the following information:

a. A projection of the price of fuel up to eighteen (18) months in the future. In December of each year, the standard price is determined for fuel that will be purchased from October through September of the following fiscal year (i.e.-in December 2002, the standard price was established for all fuel purchased from October 1, 2002 through September 30, 2003).

b. The budgeted cost of transporting, storing, and managing the government fuel system, including war reserve stocks, and adjustments to these costs in accordance with whether the revolving fund lost or gained money during the previous year.

41) State Accounting Budgetary Expenditure Reporting System (SABERS) The Army National Guard financial system which is an off-shoot of STANFINS.

42) Summary Filled Order Expenditure Differences Listing (SFOEDL) The SFOEDL is forwarded monthly by the DAO to OPTAR holders for whom they perform OPTAR accounting. The listing is distributed for the 1st through 24th report months and then quarterly thereafter through the 33rd report month. Each SFOEDL contains the result of monthly reconciliation's performed by the DAO since the last SFOEDL.

43) 3rd Tier Price (local purchase price): The standard price charged for open market local purchases of fuel made off station at non-contract commercial locations. The applicable 3rd tier standard price varies by product and purchase program and applies to ground fuels at commercial gas stations, aviation fuel at commercial airports, and ships bunker fuel at commercial ports or piers.

44) Type Commander (TYCOM): Navy entity that provides support and advice on vital issues such as modernization needs, training initiatives, and operational concept development.

C. BACKGROUND

1. Into-Plane Program

The Defense Energy Support Center (DESC) awards contracts throughout the world to Fixed Base Operators (FBOs) and major fuel suppliers for the purchase of aviation fuel at commercial airports. AIR Card purchases are made by U.S. Government, military and federal civilian agencies, authorized foreign military, State and Local Law Enforcement Agencies enrolled in the DLA LESO program, and other authorized aircraft, to include some charter aircraft. The DESC contracts are known as Into-Plane contracts and are primarily awarded when annual requirements at a commercial airport exceed 15,000 gallons on an

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annual basis. There are over 500 Into-Plane contracted FBOs worldwide, all of which enable U.S. Government aircraft to obtain fuel at substantial savings over posted commercial airport prices (activities will be billed at the Department of Defense (DoD) standard price for these uplifts). Each Into-Plane contracted facility is inspected prior to contract award and each facility must comply with industry and military approved fuel quality standards. The AIR Card facilitates buying fuel and ground ramp services. Fuel purchased at non-DESC contracted locations are not covered by MILSTD 1548C quality standards. A list of Into-Plane contracts is available on the Internet at the DESC Web site, www.desc.dla.mil. Select "Doing Business with DESC", "Contracts Information", "Contract Bulletins", "Into-plane", and choose either "Overseas", or "Domestic" locations. Activities can also search for Into-Plane contracted FBOs under the "Worldwide AVCARD Locations" section of the ACC's Web site www.avcard.com.

In March of 1973, aircrews were issued the Jet Fuel **Identaplate** (DD Form 1896) to obtain jet fuel from Into-Plane contracted FBOs, DoD, North American Treaty Organization (NATO) and Foreign government military installations. Since July 1999, the identaplate is only for use at DoD, NATO, other Foreign government military installations, and for Canadian National Defence Contract (CNDC) locations. NAVSUP Instruction 7300.28A, Army Regulation-710-2, and Air Force Instruction 64-177 provide guidance, policy, and procedures for the procurement and billing of aviation fuels and lubricants using the Jet Fuel Identaplate (DD Form 1896).

2. AIR Card Program

Since the Into-Plane program does not include all commercial airports, pilots have had the need to procure fuel using other local purchase methods, such as Standard Form 44, (Purchase Order-Invoice Voucher). These manual processes are prone to errors, payment delays and higher product costs. To improve this situation and to satisfy the government mandate to move more towards electronic commerce, DESC entered into a contract with Kropp Holdings, Inc., doing business as AVCARD. The U.S. Government fuel related credit card is known as the Aviation Into-Plane Reimbursement Card (AIR Card). It allows Military Services, federal agencies, and other authorized users to purchase fuel at over 6,000 commercial airports worldwide. In addition, the AIR Card can also be used to purchase fuel related products and ground services, which are not included in Into-Plane contracts.

All U.S. Military aircraft that utilize this program are required to adhere to the terms of the U.S. Government AIR Card program. Although participation in the AIR Card program by federal civilian agencies is mandatory for Into-Plane contract purchases, it is voluntary for local purchases, but requires each agency to execute a separate AVCARD Terms and Conditions form (see Appendix K) covering non-Into-Plane Contract purchases.

The current AIR Card contract remains in effect until 30 September 2004, and DESC will re-compete the requirement prior to that time to award follow-on continued coverage for all government aircraft.

As of July 1999, the U.S. Government **AIR Card replaced DD Form 1896, Jet Fuel Identaplates for purchasing fuel at all commercial airport and DoD installations with automated data capture (ADC) systems except as specified below. Identaplates are only authorized for use at DoD, NATO, Foreign military installations, and CNDC locations.** It is DESC's long-term goal to replace the Identaplate with the AIR Card for use at all DoD military installations.

3. CANADIAN NATIONAL DEFENSE CONTRACTS (CNDC)

The Department of National Defence-Canada and DESC direct bill agreement enables DoD Military Services and U.S. federal agency's aircraft to refuel at airports where the Canadian Department of National Defence has established fuel contracts

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similar to DESC Into-Plane contracts. These contracts are known as Canadian National Defence Contracts or CNDCs. Fuel purchases under CNDCs are exempt from Canadian excise tax. As a courtesy, DESC posts the list of CNDC locations with contractor's name, phone number and fuel type on the DESC website. See Appendix B for the specific URL address.

Aircraft crewmembers obtaining fuel at CNDC locations must present their identaplate and secure the receipt form provided by the vendor. **The AIR Card should not be used to obtain fuel at CNDC locations at this time.** If an AIR Card is used, the activity will be charged the commercial fuel price with no recourse or refund. AIR Cards, and SF44s may **only** be used at those Canadian commercial airports not shown on the CNDC location listing.

D. POINTS OF CONTACT/SERVICE CONTROL POINT

The activity's Point of Contact (POC) or Service Control Point (SCP) is responsible for establishing and coordinating policy and procedures for the AIR Card program; providing input to DESC on contract requirements; disseminating contract information; maintaining the data base; AIR Card distribution; assisting with invoice issues; and answering program questions.

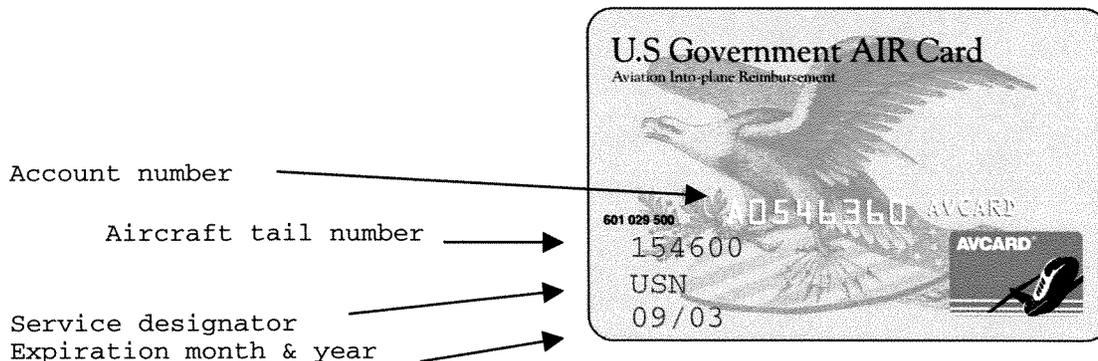
See Appendix I for Points of Contact

E. FREQUENTLY ASKED QUESTIONS

The following are frequently asked questions with answers that should help you better understand the AIR Card program.

1. What is the AIR Card?

The AIR Card is an embossed credit card (similar to a VISA card); gold in color, which is embossed with an account number, aircraft tail number, Service branch (USA, AF or USN), and expiration month and year. The following is an example of an AIR Card:



2. What products may be purchased with the AIR Card?

Authorized **fuel** and **fuel related product** purchases include:

- Aviation fuel
- Callout fees
- Flowage fees
- Fuel additives
- Overtime charges
- Rapid/hot refueling fees
- Taxes

Authorized **ground** and **ramp services** include:

- Aircraft housekeeping (trash collection, lavatory service, potable water, etc.)
- Aircraft landing fees
- Aviator breathing oxygen
- De-icing service
- Defuel and refuel service fees
- Ground equipment fees (stairs, ASU, GPU, etc.)
- Hydraulic fluids
- Lube oil
- Parking fees

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Ramp fees
Security services
Slot time fees
Supplies (maps, navigational aids, etc.)

DESC pays for all fuel and fuel related products. Units reimburse DESC at the Standard prices as applicable. Each unit is directly responsible for paying for ground and ramp services.

3. Where can the AIR Card be used?

AIR Cards can be used at both DESC Into-Plane contracted locations and non-contracted airports worldwide. A list of locations with general information is available on the Internet at the ACC's Web site: www.avcard.com. Appendix C provides examples of a CONUS and OCONUS location. A list of Into-Plane contracted locations is also available on the DESC Web site, www.desc.dla.mil. The AIR Card is being utilized in lieu of the Identaplate at military installations equipped with Automated Data Capture (ADC) devices. However, an Identaplate, DD Form 1896, is required for purchasing aviation fuel and lubricants at all other DoD, NATO, and Foreign military installations and at CNDC locations.

4. Is there a price discount for using the AIR Card?

At most commercial airports where the AIR Card is accepted, the ACC has an established agreement with the FBO, which offers fuel at a discount over the posted airport price. This discount varies from location to location, usually based on volume; however, the average discount for all AIR Cardacceptors has averaged 10 cents per gallon.

5. What is the priority for fuel sources?

At commercial airports where both DESC Into-Plane contract and non-contract fuel is available, aircrews are permitted to purchase only DESC Into-Plane contract fuel. Because of the increased cost to the Government of both Into-Plane contract fuel and non-contract fuel compared to DoD-owned fuel, military fuel provided at military air bases should be utilized first whenever possible.

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The following is the order of **priority for refueling**:

<u>Permissible Source</u>	<u>Payment Vehicle</u>	<u>Cost to Aircrew/Unit</u>
Military installations	(Identaplate/AIR CARD)	(Standard Price)
Foreign Governments	(Identaplate)	(Standard Price)
CNDC locations (Canada)	(Identaplate)	(Standard Price)
DESC Into-Plane contracts	(AIR Card)	(Into-plane contract Standard Price)
Non-contracted FBO's	(AIR Card Standard Price)	(Non-contract Standard Price)
Open market purchases *	(AIR Card/SF44/AF315)	(3 rd Tier Price)

*See special guidance in Chapter II, Section B (5)

Example:

Squadron B lands at an FBO airport in Virginia. Their aircraft uses Jet A W/FSII. Mission planners consult the flight pack and determine that the following locations offer Jet A W/FSII including:

- a) ABC Fuel Co.;
- b) XYZ Fuel Co.;
- c) AIR Card Merchant 123 Fuel Co.; and
- d) DESC Into-Plane Contractor 456 Fuel Co.

Applying the refueling priority rules, what is the priority? If you chose d; c; and a or b last, you are correct. If a military installation is not available, always use a DESC contract location first, then the AIR Card merchant agreement location and any others as a last resort.

6. Who currently participates in this program?

The Air Force, Army, Navy, Marine Corps, Coast Guard, and most Federal Agencies, such as, Homeland Security, Federal Aviation Administration, The Department of Agriculture, Transportation, State, Justice, and Treasury, National Air & Space Administration, enrolled State and Local Law Enforcement Agencies, and specific authorized Foreign Military aircraft or government chartered aircraft currently participate in the DESC AIR Card program.

7. How do units pay split bills?

Split billing is a means of centrally billing the "fuel" portion of your invoice. For the fuel portion, AIR Card holders nominate an Accountable Official to report by exception any questionable purchases to DESC-RRF, San Antonio Office who then acts as the certifying office, and DFAS Columbus as the paying office. All "non-fuel" (ground services) invoices should be processed in the same manner that units utilize SF44's for local purchases. The ACC forwards the invoice to the

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Accountable Official assigned by each unit, and after certification, must forward the invoice to the appropriate OPLOC for payment in accordance with the Prompt Payment Act. A description of fuel purchases and non-fuel purchases, i.e., ground ramp/services/supplies is listed in Chapter I.E.2. of this desk guide. Training for Accountable Officials can be located on the DESC website at: <http://www.desc.dla.mil>.

8. Must I pay taxes?

The Department of Defense and National Guard are exempt from aviation fuel Federal excise tax, but Federal civilian agencies are not exempt. Since the tax is pre-paid by vendors, the taxes are reimbursed to the vendor, DESC applies for tax refunds to recoup the taxes paid on all DoD and National Guard purchases of aviation fuel. All refunded taxes on fuel are returned to the working capital fund and will not be returned to individual units.

To the extent that ground services are subject to taxes; the units are allowed to apply for a refund to the extent allowable under Federal, State or local law, and in accordance with Internal Revenue Service rules.

9. What is Fuels Automated System (FAS)?

The Fuels Automated System is a combination of applications and people working together to create a means to record, report and manage the Department of Defense energy business.

10. What is the FAS Enterprise Server (FES)?

The FAS Enterprise Server is web-based environment that collects, routes, and reports transactions among bases, contractors, DESC, DFAS and other entities.

CHAPTER II

STANDARD OPERATING PROCEDURES (SOP)**A. GENERAL GUIDANCE****1. How does a unit obtain an AIR Card?**

To order AIR Cards, contact your service representative or the Contracting Officer's Representative (SCP/COR). For non-DoD customers, Federal Civilian Agencies, etc., contact DESC or AVCARD. You will need to provide the following information:

- a. Unit/wing/squadron name
- b. Home station information
- c. Mailing address for unit/wing/squadron
- d. Mailing address for invoices
- e. Unit/wing/squadron POC
- f. Commercial, DSN, and FAX phone numbers, email
- g. Billable DoDAAC (Unit/wing/squadron and/or Supplemental Address')
- h. Aircraft tail number/Bureau No. (BUNO).
- i. Type/Model/Series for each aircraft
- j. Fund Code
- k. Signal Code ("A" if there is no Supplemental Billing Address, or "B" if there is a Supplemental Billing Address.)
- l. Accounting data required for Service legacy system obligations, e.g., Army APC

2. What responsibility does the unit have with regard to active AIR Cards?

Each unit must maintain **accountability** for each card assigned to the unit. The cards should always be maintained in a secure location. The unit is responsible for informing the applicable SCP/COR of any changes or updates to aircraft, or lost or stolen cards. Lost or stolen cards should be reported immediately to the ACC and the SCP/COR. The SCP/COR has the responsibility to notify the AIR Card contractor when a card is cancelled. Accountability procedures should include a requirement for signing out a card so that its possession at the time of a sale can be audited. Past Due Notices received from the ACC shall be resolved by the unit upon receipt as they are subject to late penalty fees and charges.

3. How does a unit cancel an AIR Card?

To cancel AIR Cards, contact your respective SCP/COR and provide the following information:

- a. DoDAAC
- b. Aircraft tail/Bureau (BUNO) number
- c. Unit/wing/squadron name
- d. AIR Card account number(s)

After contacting your SCP/COR, cancelled cards should be cut-up and discarded.

4. What must a unit do if a card is lost or stolen?

Immediately, by e-mail, fax or phone, report lost/stolen AIR Cards to the ACC and then your respective SCP/COR and provide the following information:

- a. DoDAAC
- b. Aircraft/Bureau (BUNO) tail number
- c. Unit/wing/squadron name
- d. AIR Card account number(s)
- e. Reason replacement is required

The SCP/COR will verify with the ACC that the lost/stolen AIR Card(s) have been reported for cancellation. If the unit/wing/squadron needs a replacement card, the unit must notify the ACC as to the reason a replacement card is needed and order a replacement card from the ACC. The ACC will deliver a replacement card within 48 hours.

5. What must a unit do if it receives notice of charges which the unit has not incurred, i.e., the card number has been used by someone not authorized to incur charges or charges have been billed on a date or at a location where the aircraft did not land?

The SCP/COR will notify the DESC contracting officer and/or the DESC Fraud counsel immediately and provide copies of the bill, and relevant information (who, where, what, and when) so that the fraudulent use of the card may be investigated in a timely fashion. In years past, units have notified DESC of charges that were billed by an FBO after the date that an aircraft used the FBO; in rare cases, FBOs have billed for a greater volume of fuel than the aircraft lifted or other similar types of billing fraud. In one case, units have been billed

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more than once for the same lift or service. Units should review bills for accuracy or services and volume of fuel loaded. Any discrepancies, which appear to be fraudulent, should be reported to the contracting officer immediately.

6. What must a unit do to transfer aircraft?

When aircraft are transferred to another unit/wing or squadron, **the AIR Card(s) assigned to the aircraft must remain with the aircraft** since the AIR Card is embossed with that aircraft's tail number. The only exception to this rule is the "Any A/C" cards. These cards are assigned to the unit/wing/squadron and should remain in the unit/wing/squadron's possession. **The transferring unit/wing/squadron is responsible for contacting their respective SCP/COR so the AIR Card contractor can stop charges to the losing unit's billing DoDAAC.** The transferring unit must provide their SCP/COR all the information required under A(1) above to start the new billing DoDAAC. The SCP/COR must then notify the AIR Card contractor to stop charging the losing unit. Billing addresses are determined by the information contained on the card and **bills will continue to be sent to the unit that transferred the aircraft until the AIR Card contractor is notified otherwise.** The AIR Card contractor will issue a new AIR Card to the gaining unit's DoDAAC and all subsequent purchases on the new card will be charged to the transferred DoDAAC. When aircraft are transferred to another unit/wing/squadron and the AIR Card does not go with the aircraft i.e. "Any A/C", the unit receiving the transferred aircraft will either assign one of its "Any A/C" AIR Card to the aircraft or contact their SCP to obtain a new AIR Card using the procedures under A(1) above.

If the aircraft is sent to a maintenance facility or contractor for modifications, the owning unit must clarify who is responsible and notify the AIR Card contractor as to which activity is responsible for billing for fuel during this time.

7. Unit/wing/squadron disestablishment

When a unit/wing/squadron is disestablishing, the responsible individual for the unit must notify your POC/SCP and follow the procedures outlined in paragraph 3 above. Additionally, the individual must provide the POC/SCP with a point of contact (name, unit, organization and phone numbers) for the activity that will be handling the disestablished unit's outstanding bills. If the AIR Cards are no longer needed, the unit to which the AIR Card is assigned must destroy the card and notify the POC/SCP and the ACC. In one fleet card fraud case,

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an Air National Guard unit disestablished itself and left the fleet cards unsecured in a drawer resulting in unauthorized charges by the thief who stole the cards. Units are responsible for maintaining the cards in an accountable fashion.

8. Unit/wing/squadron deployments

When a unit/wing/squadron or detachment deploys, the unit must contact your POC/SCP to update its billing information (if the billing information is changing for the deployment). The information required includes:

- a. Deployment location (ship or air station name)
- b. Deployment length
- c. New invoice mailing address (if applicable)
- d. Point of contact
- e. Phone numbers
- f. E-mail address

9. Unit/wing/squadron information database

Your POC/SCP with the ACC maintains the AIR Card database for all your unit/wing/squadron's aircraft. It is imperative that this database be kept up-to-date. Any changes in the database information must be reported to your POC/SCP and the ACC as soon as possible. The information, as applicable, included in the database is:

- a. Unit/wing/squadron
- b. MALS (for Marine Corps unit/wing/squadrons)
- c. Wing
- d. Type Command
- e. Branch of Service
- f. Bureau numbers (BUNOs) for each aircraft
- g. Type/Model/Series
- h. Home station information
 - i. Mailing address for unit/wing/squadron
 - ii. Mailing address for invoices
 - iii. Point of contact
 - iv. Commercial, DSN and FAX phone numbers
 - v. E-mail address
- i. Billable DoDAAC and address
- j. Fund code
- k. Signal code
- l. Supplemental address (if another activity is paying the unit's bills)

10. Mission planning

How does a unit select refueling locations when planning unit missions?

When planning missions, consideration must be given to scheduling refuelings at the most economical locations whenever possible. As explained above in Chapter I, Section E (5), the cost to the DoD is not the same at every location. While your unit will be billed at the same applicable standard price regardless of where your unit refuels, the actual reimbursement to the contractor may be higher or lower than the applicable standard price billed to your unit. A military installation shall be the first choice. However, when mission needs warrant refueling at commercial airports, Into-Plane contracted or CNDC FBOs should be selected first, followed by non-contracted FBOs who accept the AIR Card, and then FBOs who will not accept AIR Card (an open market purchase using SF-44. There are very few locations that do not accept the AIR card and use of an SF-44 or other commercial form should be your last resort. **Aircrews should exercise care in signing receipt documentation and should never execute both an AIR Card receipt generated by an e-POS machine and a Standard Form for the same item of supply or service.** Prior to using these forms, in lieu of the AIR Card, contact the ACC at 1-800-AVCARD-1 to provide the AIR Card contractor with the opportunity to work with the FBO supplier to make arrangements for acceptance of the AIR card. Pilots and aircrews should be advised that many commercial airports have more than one FBO which service aircraft and that pilots and air crews **shall pre-identify and use Into-Plane contracted and CNDC FBOs** before using non-contracted FBOs. Pilots and aircrews should also be advised that Into-Plane contracted and CNDC FBOs often contract for only one specific fuel type, which may be with or without additives (i.e., FSII). Aircrews must ensure the contracted fuel type and the volume ordered is delivered and properly annotated on the receipt. Non-contracted fuel type deliveries will be charged at the commercial rate without recourse or refund.

DESC Into-Plane contracted and CNDC FBOs are listed on the Internet at the DESC Web site:
<http://www.desc.dla.mil/DCM/DCMPage.asp?LinkID=DESCContractBulletins> These contracted FBOs are also identified in the DoD Flight Information Publication (FLIP) Enroute Supplements. Both Into-Plane contracted and non-contracted FBOs who accept the AIR Card are also listed on the Internet at the ACC Web site: www.avcard.com. Examples of ACC web-site information are provided in Appendix C.

11. Flight packages

All aircraft flight packages should include an identaplate (DD Form 1896), an AIR Card, and a SF44 and/or AF315. DESC recommends that aircrews include a current listing of the applicable DESC Into-Plane contracted and CNDC FBOs for the mission in the flight package. The "priority for refueling" table in Chapter I, Section E (5) states where each of these purchasing tools should be used.

12. Prohibition of acceptance of gratuities from contractors

Please draw your attention to the back of the all AIR Card which states: "ACCEPTANCE AND/OR USE OF THIS CARD BY AUTHORIZED PERSONNEL CONSTITUTES THE USER'S ACCEPTANCE OF THE TERMS AND CONDITIONS UNDER THE DESC AIR CARD CONTRACT. THIS CARD IS ISSUED BY AND REMAINS THE PROPERTY OF (Insert ACC name here) _____ . IF CANCELLED, LOST/FOUND, NOTICE, OR THE CARD ITSELF SHOULD BE SENT TO THE ACC (Insert ACC name and address here) _____ . **NOTE: PILOTS, FLIGHT/AIRCRAFT COMMANDERS & CREW CHIEFS ARE CONSIDERED GOVERNMENT PROCUREMENT OFFICIALS AND AS SUCH, SHALL NOT ACCEPT GRATUITIES. SEE 5 CFR 2635.202 & PARA B2.DoDD 5500.7, STANDARDS OF CONDUCT. VIOLATIONS MAY RESULT IN PROSECUTION UNDER U.S. CODE, UCMJ, AND/OR ADVERSE OR DISCIPLINARY ACTION. 24 HOUR SERVICE: USA & TERRITORIES OR CANADA: (Insert ACC 800 phone no. here) OTHER AREAS COLLECT: (Insert ACC collect phone no. here)."**

Pilots, flight commanders, aircraft commanders, crew chiefs, and crew members are considered to be Government procurement officials when obtaining fuel and/or ground services at commercial airports. As such, they must not solicit or accept gratuities from the contractors providing these services. Executive Order 12731 of 17 October 1990, entitled Principals of Ethical Conduct for Government Officers and Employees, clearly identifies the standards of conduct expected of flight crewmembers. The Executive Order was included as an attachment to a recently distributed letter addressing this issue. This letter with the attachment is provided in Appendix H. In the event you observe any government personnel soliciting or accepting gratuities, you should report the incident to your Ethics Official and the DESC Contracting Officer, immediately. DESC has posted letters explaining the rules on gratuities at www.desc.dla.mil for aircrews and contractors. Should you observe a contractor offering gratuities in order to obtain Into-Plane business from using units, you should also report this to the DESC contracting officer.

B. AIR CARD TRANSACTIONS

There are basically three types of AIR Card transactions: fuel purchases at Into-Plane contracted locations; fuel purchases at non-contracted locations; and purchases of ground services at either contracted or non-contracted locations. For each type of transaction, the pilots or aircrew member will receive a receipt from the FBO.

Invoice processing procedures and prices are different for refuelings at Into-Plane contracted FBOs and non-contracted FBOs which accept the AIR Card. The process is diagramed in a flow chart later on in this chapter and is also explained on the web page at www.desc.dla.mil. Also, since Into-Plane contracts do not include payment for ground services, units will receive separate invoices for these ground services from the ACC. For local purchases, ground service transactions will also be separated and billed by the ACC. Each unit is responsible to certify and authorize payment for all non-fuel purchases.

When obtaining fuel and/or ground services at commercial airports, crew members, i.e., pilots, flight commanders, aircraft commanders and crew chiefs, are considered to be Government ordering and certifying procurement officials. **As such, once you sign the commercial receipt presented by the service provider you are obligating the U.S. Government to pay for the services itemized on the receipt. It is imperative that you properly verify that the goods and services detailed on the receipt were received. You should not execute more than one receipt for fuel or authorized ground services. Recently, DESC has learned of instances where suppliers presented both an AF 315 and an AIR card for the same transaction. In the event a supplier presents both an AIR Card receipt and any other form such as an AF-15, SF-44, AF-315, or other commercial ticket, notify the DESC Operation Center at 1-800-2-topoff. Any incident of duplicate billing should be reported to the DESC Contracting Officer immediately. Pilots and aircrews who sign these receipts are considered to be procurement officials and/or authorizing officials. You are responsible for ensuring that receipt documentation accurately reflects the supplies/services rendered and that you do not enable the contractor to bill the Government more than once for the same supplies or services by completing two receipts.**

1. Refueling and Ground Service Receipts and Obligations

a. After refueling or receiving ground services, the pilot or aircrew member will receive a receipt for the transaction

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from the FBO. (Note: Into-Plane contractors are authorized to use commercial delivery receipts or the DD Form 1898, Fuel Sale Slip.) The responsible crewmember will certify that the product type/service, and quantity are correct by signing and printing his/her name, rank/grade, and unit/wing/squadron on the receipt. Upon returning to the home station, turn in all receipts to the unit/wing/squadron's records keeper. The records keeper should ensure that no duplicate bills are processed. The responsibility to ensure duplicate billings first is the responsibility of the receiving unit. All local purchase fuel transactions can be verified in the FES (FAS Enterprise Server), accessible from the DESC home page at www.desc.dla.mil, under Fuels Automated System. A login and password are required to gain access to FES. Instructions for applying are found on the DESC home page.

b. Financial Management Regulations (FMR) require all obligations be posted when the order is placed. The procedures to do this are determined by each Service. There are various systems used to post obligations such as "FASTDATA", "Enterprise", "STANFINS", "ASKIT", and manual entry systems. Refer to your service specific guidance and/or local financial procedures for establishing obligations/posting transactions in the OPTAR Log.

2. Fuel Purchases at Into-Plane Contracted Locations - for Navy

a. When fuel is received from an **Into-Plane contracted FBO**, the FBO sends sales information to the ACC where it is identified, entered into the ACC database, and electronically forwarded to DESC. A document number is assigned to the transaction, and is constructed by using the activity's billable DoDAAC listed in the ACC database, the Julian date of the transaction, and the last four digits of the receipt's pre-printed serial number. Note: All contract location sales are expected to process via the FES in late FY 03 and early FY 04. The document serial will then be assigned based on the FES document convention - FA00, FA01, etc.

b. DESC processes the information and sends an electronic file to the Defense Finance and Accounting Service (DFAS) Columbus, Ohio. DFAS Columbus, on behalf of DESC, pays the invoice by forwarding a check or electronic funds transfer (EFT) to the contractor. DFAS Columbus then sends an inter-fund bill (at the DoD standard price for Into-Plane fuel) to the unit/wing/squadron's servicing DFAS OPLOC for the unit/wing/squadron's billable DoDAAC listed in the ACC database.

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DESC is reimbursed when the bill is registered with the U.S. Treasury and the charge is processed by the servicing DFAS OPLOC against the unit/wing/squadron's line of accounting. Note: For Navy Activities, using the ASKIT, the payment will eventually post to the Summary Filled Order/Expenditure Difference Listing (SFOEDL) and reduce the aviation fuel (AVFUEL) money obligation. The SFOEDL will be reconciled against the OPTAR log for a matching obligation within the ASKIT-SFOEDL reconciliation process.

c. The pilot's copy of the receipt is used for posting to the OPTAR log and/or for establishing the obligation for the fuel received. Record keepers should post entries at the standard price for Into-Plane fuel. DoD standard fuel and lubricant prices from 1996 to the present fiscal year can be found on the Internet at www.desc.dla.mil; click on Doing Business with DESC, Standard Prices. **Note: Units will not receive an invoice for any into-plane fuel purchases (contract or non-contract) from the ACC. However, units will receive invoices for ground services directly from the ACC.**

3. Fuel Purchases at Non-Contracted Locations

a. When fuel is received from a **non-contracted FBO who accepts the AIR Card**, the FBO sends the sales information to the ACC which enters all the detail for the transaction into the ACC database. The detailed information includes the fueling date, invoice number, gallons purchased, fuel type, price per gallon, fuel discounts, aircraft tail number and any other fuel related charges. The ACC pays the FBO based on the FBO's merchant agreement between the FBO and the ACC's existing terms & conditions and the ACC forwards the detail information electronically to DESC.

b. DESC processes the information and sends an electronic file to the Defense Finance and Accounting Service (DFAS) Columbus, Ohio. DFAS Columbus, on behalf of DESC, pays the invoice by forwarding a check or electronic funds transfer (EFT) to the ACC. DFAS Columbus then sends an inter-fund bill (at the DoD standard price for "local purchase" fuel) to the unit/wing/squadron's servicing DFAS OPLOC for the unit/wing/squadron's billable DoDAAC listed in the ACC database. DESC pays the difference, if any. In situations where the standard price is higher than the contract price, the unit will be responsible for the difference between the standard price and the contract price. DESC is paid when the bill is registered with the U.S. Treasury and the charge is processed by the servicing DFAS OPLOC against the unit/wing/squadron's line of accounting. Note: For Navy Activities, using the ASKIT, the

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payment will eventually post to the SFOEDL and reduce the aviation fuel (AVFUEL) money obligation. The SFOEDL will be reconciled against the OPTAR log for a matching obligation within the ASKIT-SFOEDL reconciliation process.

c. The pilot's copy of the receipt is used for posting to the OPTAR log and/or for establishing the obligation for the fuel received. Record keepers should post the fuelings at the DoD standard price for Into-Plane fuel. DoD standard fuel and lubricant prices for several fiscal years can be found on the Internet at: www.desc.dla.mil; click on Doing Business with DESC, Standard Prices.

4. Purchases of Ground Services at Contracted and Non-Contracted Locations

Whether ground services are received at an Into-Plane contracted or non-contracted FBO, transactions are processed the same way. The contractor/FBO will provide a detailed, itemized receipt for the services to the government representative. The Government representative will sign the receipt. The contractor/FBO will provide a copy for the services. The contractor/FBO sends the ACC an invoice along with a copy of the signed receipt. The ACC pays the FBO and sends an invoice to the unit/wing/squadron (or the supplemental address listed in their database). (An example of an AIR Card invoice for ground services is provided in Appendix D.)

When the unit receives the invoice, the Prompt Payment Act requires the activity to stamp/record the date and time of receipt on it. The activity must then verify the invoice with the pilot's/aircrew's copy of the receipt and previously created obligation in the OPTAR log. If the data on the AIR Card contractor's invoice, the aircraft/air crew and the OPTAR log match, the activity certifies and dates the invoice citing the unit/wing/squadron's line of accounting and the requisition document number posted in the OPTAR log (Note for NAVY: Units use locally established document number based on TYCOM guidance) and forwards the invoice (along with a completed Prompt Payment Certification(PPC)) to their servicing DFAS OPLOC for payment. If the data in the invoice, receipt, and OPTAR log do not match the pilot's receipt and OPTAR log, the difference must be resolved through the dispute process prior to certifying the invoice for payment. Once again, deliberate double billing for ground services or billing for ground services that were not ordered or rendered should be immediately brought to the attention of the DESC AIR Card contracting officer.

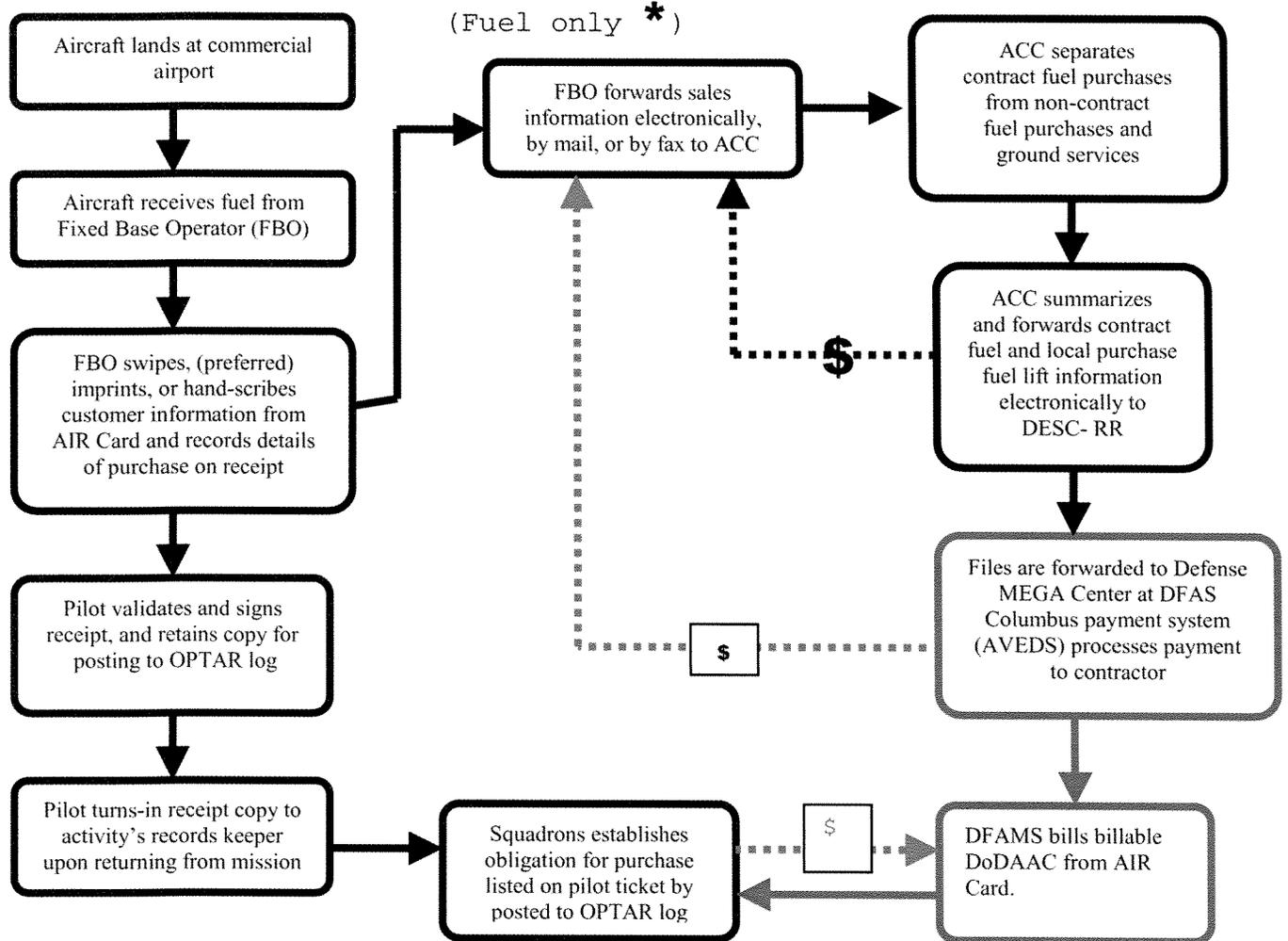
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5. Purchase Guidance for Non-AIR Card Acceptors

When planning your mission you should always check the ACC'S Web site to determine if the fuel and service providers at each of your destinations and en-route airports accepts the AIR Card. If your itinerary requires you to visit locations where the AIR Card is not accepted, the ACC can, in many instances, make arrangements for acceptance on a permanent or temporary basis. Contact the ACC at 1-800-AVCARD-1 and give them the details for the location you require, including any contacts you may have. The ACC will attempt to contract with these providers and advise you of the outcome. If the ACC is unsuccessful, as a last resort, use the SF-44 or AF Form 315.

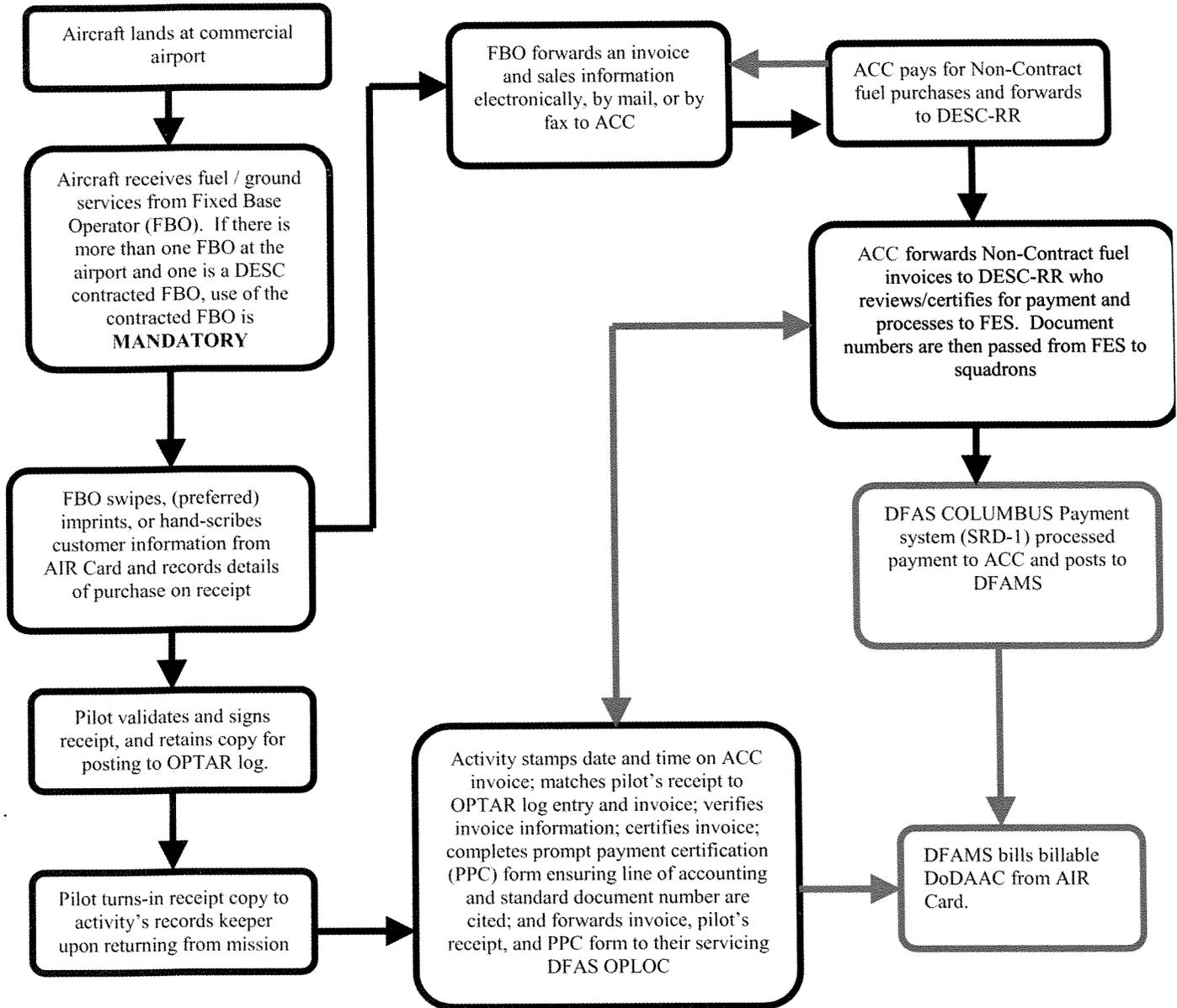
The three flow charts on the following pages explain basic AIR Card transactions.

AIR Card Transaction at Into-Plane Contract Location

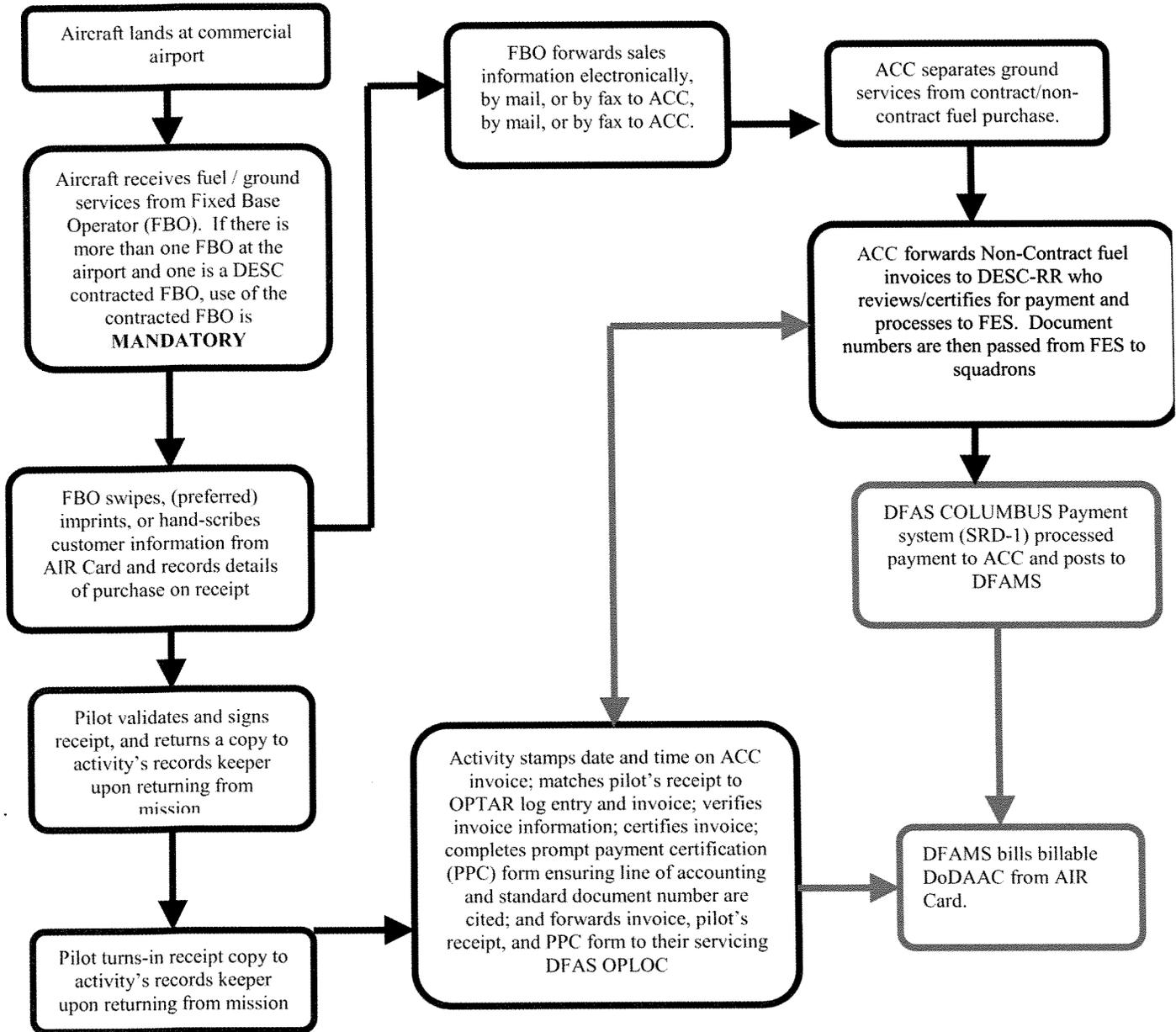


Ground services purchased are Billed to the unit. See following chart.

AIR Card Transaction at Non-Contract Location



AIR Card Ground Services Transaction at Non-Contract Location/Contract Location



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C. PAYMENT GUIDANCE

1. ACC (AVCARD) Invoice Information

An ACC invoice will show the invoice date, the date the ground services were received, where the ground services were received, the quantity, the price and the total invoice charges, and the unit/wing/squadron's billable DoDAAC. Examples of ACC invoices are in Appendix D.

2. Certifying ACC Invoices

ACC forwards original ground service invoices on Thursdays to the activity address (unit/wing/squadron, comptroller, MALS, Type Commanders, etc.) designated in the ACC database. (This database is maintained by your POC/SCP for each branch of service. Upon receiving the original invoice, the activity is required by the Prompt Payment Act to stamp/record a date and time of receipt on it. (The Government has 30 days from this receipt date to pay the invoice before interest penalties start to accumulate.) Activity personnel must then review the invoice and match the information to the pilot's/aircrew's receipt of record. A Prompt Payment Certification must be completed, citing the line of accounting, the standard document number, the ACC contract number (which can be obtained from the invoice), and returned with the original invoice to the activity's servicing DFAS OPLOC for payment. (When certifying invoices, the activity must ensure the unit certifies only the **original** invoice.) A copy of all documents must be retained by the activity. Additional copies of all ACC Invoices can be obtained at their Web site www.avcard.com, under the heading Air Portfolio. Access to the invoices requires your DoDAAC and Pin # assigned by the ACC. You can contact the ACC at 1-800-avcard-1 to obtain the DoDAAC and Pin number.

3. Defense Finance and Accounting Service (DFAS) Requirements

DFAS **cannot** pay ACC invoices without the following:

- a. Certified original invoice
 - b. Completed Prompt Payment Certification Form (PPCF).
- An example of a PPCF is provided in Appendix F. (The certification must have the "Received, inspected, and accepted" dates; certifying officer's signature, typed name; and date certified.)

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c. Matching obligation (All vendor invoices must be pre-validated by DFAS against an obligation prior to the vendor being paid. Consequently, the obligation must be resident in the service specific official accounting system to avoid late charges and/or delinquent payments.)

d. Date and time the invoice was received by the certifying activity

e. Document number for fuel/ground services requirement

f. Line of accounting

g. ACC Contract Number PIIN

It is the activity's responsibility to ensure invoices are properly processed and submitted to their servicing DFAS OPLOC in a timely manner.

4. Past Due Notices

a. If the ACC does not receive payment within 30 days, the activity will receive a past due notice. Past due notices are generated by the ACC every two weeks. All outstanding invoices for the activity remain listed on the notice until payment is received by the ACC. An example of a notice is included in Appendix E.

b. A biweekly Account Receivable Listing, reflects all past due accounts. All past due notices are forwarded to your POC/SCP where spreadsheets and graphs are maintained showing the unit's total past due amount by invoice number. Your POC/SCP monitors these notices and advises Type Commanders of their activities, which have large past due amounts and/or amounts that have been delinquent for several months. Your POC/SCP also contacts unit/wing/squadrons with outstanding amounts and confirms if certified invoices have been submitted to their servicing DFAS OPLOC for payment. Aggregate totals are also reported to each service biweekly.

c. There are various reasons why invoices become past due; however, **it is the activity's responsibility to expeditiously research, investigate and pay any amount due** to avoid/minimize the amount of interest the Government must pay under the Prompt Payment Act. As mentioned above, the Government has 30 days from invoice receipt to pay the invoice before interest penalties start to accumulate. If activities do not have an original invoice, a true copy of it may be obtained from the ACC by calling their credit department number, 1 800 AVCARD1 and ask for the credit department. The unit can certify the true copy the ACC provided as a true copy of the original and forward it

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to DFAS for payment. Appendix I contains names, e-mail addresses and additional phone numbers for the ACC Customer Support.

5. Information and Assistance for Resolving Invoice and Billing Issues

The following information is provided to assist activities in resolving some typical outstanding AIR Card invoice issues. This information does not include procedures to resolve all issues, but the methods and contacts given can be used as a starting point for other situations not presented here.

a. DoDAAC versus UIC: If an activity does not have a billable Department of Defense Activity Address Code (DoDAAC) registered in the DoD Automatic Addressing System (DAAS), DFAS will not pay invoices and/or inter-fund bill the applicable unit. A DoDAAC is a six-position code that uniquely identifies a unit, activity or organization that has the authority to requisition and/or receive services and material. When registered in the DAAS, the DoDAAC is a billable address and DFAS is authorized to pay the activity's invoices and bills. Use the following URL to verify DoDAACs in the DAAS system: <https://day2k1.daas.dla.mil/dodaac/dodaac.asp>. Many smaller units have larger activities that handle their accounting and bill paying. In these instances the larger activity's DoDAAC is usually used to pay invoices. Activities must ensure an accurate billable DoDAAC is used for paying invoices. Note for Navy: A DoDAAC usually consists of a Service designator code, such as the "N" in the following example, and a five digit Unit Identification Code (UIC), such as "00424" in the example **N00424**. Paying problems arise when a Service designator and UIC are used as a DoDAAC to pay bills for an activity and the combination is not registered in the DAAS.

b. Receipt versus Invoice Discrepancies: If an activity has a receipt from an FBO that does not agree with the ACC invoice, the activity should pay the invoice amount not in dispute* and contact the ACC to reconcile the difference. If the ACC does not resolve the issue, contact your POC/SCP who will work with the unit/wing/squadron and the ACC to settle any irreconcilable differences. ***If you refuse to pay the portion of the bill not in dispute, interest and Prompt Payment Act penalties will accrue and be assessed.**

c. No Receipt: If an activity received an invoice from the ACC but does not hold the receipt document, the activity should contact the ACC and request a copy of the signed fuel receipt

d. No Invoice Received: If an activity received a past due notice, but does not hold the invoice, a copy of it may be obtained from the ACC by calling the customer service number listed in Appendix I. This copy can then be certified as a true copy of the original and forwarded to DFAS for payment.

e. Fraudulent Invoices: If an activity receives a bill for goods or services which it did not incur, the activity must notify their POC/SCP. The unit should provide, in writing, the dates and circumstances which lead the unit to believe that the unit is being billed for goods and or services that were not provided. Units should ensure that they are not being billed more than once for the same goods and or services. Possible examples of fraud - Unit receives an invoice that reflects the day before or the day after actual lift occurred; Unit lifts 100 gallons and merchant's copy reflects 1,100 or 1,000 gallons.

6. Credits to ACC Accounts

There are several ways credit balances are created and applied to ACC accounts. Some credits are generated from tax refunds and others from aircraft defuelings. These types of credit balances can be zeroed out by the ACC applying the credit balance toward subsequent AIR Card charges. Note: For Navy this is true only with the appropriate **TYCOM authorization only**. Activities which want to apply the credit balance towards subsequent charges, should contact the ACC emailing: www.creditdept@avcard.com to make the request. Include in the email the activity's ACC account number, the amount of credit in your account, and a statement requesting the desired action. For credit balances applied to subsequent charges, request the ACC apply the credit to your next invoice. Fuel credits can only be applied to fuel purchases and ground service credits can only be applied to ground service purchases.

EXCEPTIONS Contact the service appropriate POC/SCP for any other credit exceptions.

7. Interest and Penalty Bills

Interest and Penalty bills will be sent out monthly for payments received during the prior month. The unit will receive a bill for interest and penalty if the ACC did not receive payment for interest with the late payment.

8. Taxes

The DESC AIR Card contract requires the ACC to identify all applicable taxes and the appropriate per unit amounts (Federal, State, Local, Territorial, etc.) on all invoices. The contract does not address tax refunds for Department of Defense or National Guard units, since it is an issue between the Military Service, DESC, and the Treasury Department, not the contractor.

a. Canadian Excise Tax: U.S. DoD fuel purchases from all FBOs throughout Canada are exempt from Canadian excise tax. Appendix J contains letters from DESC and Revenue Canada concerning this exemption. The letters cite the Canadian Excise Tax Act (ETA) as their reference. While the ETA provides for an exemption, it does not allow a refund of taxes paid to the end user. Therefore, at the point of sale, **Canadian FBOs should not collect excise tax on sales to DoD aircraft**. Pilots/aircrew members must review Canadian FBO sales slips to verify no Canadian excise taxes are included. If these taxes are included, they must be removed prior to signing the receipt. Otherwise, taxes will be assessed and are non-refundable.

b. U.S. Federal Excise Tax (FET) and State Excise Tax (SET): DESC pays the DoD or National Guard invoices for the FET and fuel received from both Into-Plane contracted and non-contracted FBOs and then charges the DoD or National Guard activity a standard price for the fuel. DESC then files for a FET refund from the Treasury Department. The refunds are deposited back into the Defense Working Capital Fund (DWCF). Taxes for which refunds are not obtained are charged to the DWCF and reflected in future standard prices for fuel.

DESC must pay the Federal and State Excise Taxes associated with AIR Card fuel purchases because the tax is already included in the fuel cost when the FBO procures it. Since the FBO has already paid the tax, he/she cannot reduce the price to DoD customer without taking a loss on the sale. Also, since U.S. Government activities are classified as "Tax Reimbursable entities", they must pay FET and SET up front and then file for a refund. DESC applies for refunds for fuel excise taxes by filing a claim with the Internal Revenue Service (IRS).

Numerous states also impose some type of State Excise Tax on fuel sold to the U.S. Government. Some states allow the FBO to back out the state tax and file for a refund or credit with the state. Others require that the Government file for a refund. To obtain a refund, States require proof of purchase. Some States also require proof that the fuel was consumed in a non-taxable manner. If tax is charged, DESC pays the fuel invoice with the tax and charges the activity a standard price for the fuel. DESC then files for a refund with the state. The

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SET refunds are handled the same way FET refunds are handled.
See paragraph 8(b) above.

**9. Special Procedures for Non-Contract Refueling Invoices
Prior to October 1, 2001**

Prior to October 1, 2001 activities were billed directly for all local purchase fuel. The activities are responsible for the payment on these invoices regardless of when the invoices are received. Follow the procedures outlined for ground services invoices in Chapter II, Section B (4).