

INTERNATIONAL BALANCE OF PAYMENTS (IBP) PROCEDURES AND REPORT

28-1. General Information. HQ USAF, DoD, OMB, and other government agencies require data relating to IBP. These instructions apply to all IBP transactions, including data on Air Force assets and liabilities abroad, foreign currency transactions, international investments, foreign military sales, transfers of property and services abroad, and foreign grants and credits. They also include transactions accounted for in any of the following:

- a. DoD general fund, revolving fund, deposit fund, special fund, and trust fund accounts for military and civilian functions other than the Panama Canal, Corps of Engineers, and Armed Forces Retirement Homes (formerly US Soldiers' and Airmen's Home).
- b. Transfer appropriation accounts including foreign military sales.
- c. General, special, and trust fund receipt accounts established by the Treasury Department for the collection of miscellaneous receipts for which DoD has billing and collecting responsibility.

28-2. Explanation of Terms:

- a. **Abroad.** Includes all foreign countries of the world described in Federal Information Processing Standards (FIPS) Publication 10-4 excluding the country code "US".
- b. **Accommodation Sales.** The sale of foreign currencies, for dollars or military payment certificates (MPCs), to US personnel for their personal use in a foreign country.
- c. **Collection.** Receipt of repayments in currencies (both foreign and US), checks, or other negotiable instruments, including MPCs.
- d. **Contract.** Any type of agreement or order for the procurement of materiel, supplies, and services of any amount. Includes purchase orders, delivery orders, service orders, and similar authorizations.
- e. **Constructive Delivery.** The delivery of materiel to a carrier for transportation to the consignee, the customer, or the designated forwarder at point of production, testing, or storage, and delivery at dockside, at airports, or to a US post office for shipment to the consignee. Delivery is evidenced by completed shipping documents or listings of delivery to the US post office.
- f. **Delivery:**
 - (1) The performance of services for the customer or requisitioner.
 - (2) The constructive delivery of materiel as defined in e above.
 - (3) Collections for services, transportation, and materiel when they are normally recorded in the billing and collection cycle immediately following performance.
- g. **Foreign Military Sales (FMS).** The transfer of materiel, supplies, equipment, services, and any other support for cash or credit by a DoD component to a foreign government or international organization as authorized by the Foreign Assistance Act of 1961, as amended, and by the Arms Export Control Act of 1976, as amended.
- h. **Foreign Resident.** The government of a foreign country and all its agencies and subdivisions, corporations, and all individuals, except US personnel abroad as defined in a above.
 - (1) Corporations. A corporation is a resident of the country in which it is incorporated. A subsidiary is a separate corporation and is a resident in the country where it is incorporated. Business offices and branches of US corporations are residents of the countries where they are located. A corporation operating in a foreign country without a subsidiary, foreign business office, or branch, is a resident of the country in which it is incorporated. However, a business representative such as the ticket office of a US transportation company or a sales agent is not considered to be a foreign business office.
 - (2) Individual. An individual, including a retired US citizen, residing in a foreign country except those defined as US personnel.
 - (3) International Organization. An international organization is not considered a resident of any particular country. The major international organizations are listed in DoD5105.38-M, table 600-1.
- i. **Guaranty Financing.** The guaranty of private credit by the US government under the provisions of sections 503(e) and 509 of the Foreign Assistance Act of 1961, as amended.
- j. **Interest:**
 - (1) Interest collected on military assistance or foreign military long-term credits.
 - (2) Interest collected by AFO/OPLOCS for short-term deposits made in banks or other financial institutions.
 - (3) That share of interest remitted to a DoD component under guaranty financing arrangements.

k. Joint Weapons Production and Exchange Agreements. Production of military end items by a foreign country or resident with participation by a DoD component through payment of cash, or the provision-in-kind of materiel, assemblies, components, or services, and a joint sharing of the end items as determined by the agreement. Includes coproduction, cost sharing, exchange agreements, joint production, NATO consortiums, and others as authorized by the Foreign Assistance Act of 1961, as amended.

l. Military Assistance Grant-Aid (MAP). The provision of any type of assistance in the form of materiel, supplies, equipment, facilities, training, transportation and services, etc., by a DoD component to a foreign government or international organization for the purpose of providing support as authorized by the Foreign Assistance Act of 1961, as amended.

m. Net Pay. That part of gross pay that is given or mailed directly to the individual in the form of cash, check, or MPCs, including paychecks mailed by a disbursing officer to any bank or financial institution for credit to the individual account of US personnel stationed abroad. Net pay includes allotment checks mailed to a foreign address, but does not include allotment checks mailed to a US address.

n. Payment. Payment in currencies (both foreign and US), checks, or other negotiable instruments, including MPCs, net of refunds.

o. Personnel Afloat. US personnel whose duty station is aboard a ship.

p. Progress Payment. Payments by a DoD component to a contractor or other supplier on contractual procurement of goods or services as work progresses for delivery on a foreign military sale.

q. Real Property Transfer. The conveyance of military real property by a military department to a foreign resident or international organization.

r. Returns to the United States. The portion of payments to contractors or suppliers which is remitted to the US, or spent or held in the US, as the result of procurement of US end products, US services, and transportation on US flag carriers, by such contractors or suppliers in the performance of supply, services, or construction contracts.

s. US Personnel. US military forces (active duty, Reserve, and National Guard, but excluding retired) and US civilian employees (civil service, nonappropriated fund, and individual contract hire).

28-3. Transactions Entering the IBP:

a. All payments, including advance and progress payments, by AFO/OPLOCs and agents for-self and for-others (whether located abroad or in the United States, its possessions, Puerto Rico, and Canal Zone) to:

(1) Foreign residents, including all amounts deposited in foreign or US banks to their credit; that is, a deposit to the account of an international organization or foreign entity maintained in a US bank.

(2) US personnel when stationed, employed, or residing abroad; for pay disbursed or mailed abroad when on temporary duty abroad; or for per diem for temporary duty abroad.

(3) International organizations.

(4) US corporations for materials, supplies (excluding petroleum products), and equipment, title to which is acquired by the US government abroad.

(5) US contractors for construction or services performed abroad, except for travel and transportation as described in paragraph 28-5b(7).

(6) US and foreign corporations for petroleum products identified in paragraph 28-5b(8)(b).

b. Counterpart foreign currency payments by a foreign government in foreign currency held by the foreign government for special US uses under special arrangements; for example, pesetas disbursed by the Spanish government for the construction and maintenance of US facilities.

c. All collections by AFO/OPLOCs and agents received from:

(1) Foreign residents.

(2) US personnel who are stationed, employed, residing, or traveling abroad. This does not include payroll deductions as only net pay is reported.

(3) International organizations.

(4) US contractors in connection with their performance of contracts with the US government or private firms abroad.

(5) Foreign governments or other foreign entities for materials, supplies, and equipment sold for delivery and use abroad under the Foreign Military Sales program and the DoD Property Disposal program.

d. Payments for construction and POL reimbursable from Agency for International Development (AID) funds. Report the portion to be reimbursed to the military fund accounts from AID funds if readily identified. When accounting records do not permit identification of charges, use statistical data. When payments from military fund

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accounts are predominantly US payments, no identification is necessary. List payments separately by Defense appropriation or account symbol.

e. All deliveries of materiel, supplies and equipment, and services to foreign countries and international organizations including:

- (1) Foreign military sales deliveries pursuant to the Foreign Assistance Act of 1961, as amended.
- (2) Interest collections.
- (3) Sales by property disposal officers as represented by collections.
- (4) Loans and leases of aircraft and vessels.
- (5) Transfers of real property and deliveries of materiel and services under logistical support agreements and otherwise.

f. The following are special transactions:

*(1) Do not code collections into deposit fund accounts (DFA) (including 57X6276, 57X6501 and budget clearing account 57F3875) as IBP, though such collections may be from foreign residents. Transfers from these accounts to appropriation, other fund, or receipt accounts (including miscellaneous receipts) are coded as IBP in the gaining appropriation or account. Unless made directly to a foreign resident (as would be the case with 57X6130 or 57X6131), disbursements from a deposit fund (including 57F3875 and 57X6276, 57X6501) should not be coded as IBP. Do not treat refunds to a foreign resident as IBP.

(2) Offsetting settlements are sometimes made between DoD accounts instead of payments to, and collections from, a foreign government. Treat these settlements as an IBP transaction just as if the transactions were carried out with the foreign government.

28-4. Transactions Not Entering the IBP:

a. All payments to and receipts from any DoD or other US government agency or activity, including any DoD nonappropriated fund or postal service activities, except special transactions noted in paragraph 28-3.

*b. All transfers between DoD or other US government accounts, except those from 57X6276, 57X6501 and budget clearing account 57F3875 as noted in paragraph 28-3f(1).

c. Payments to foreign residents for goods produced in the US if title is transferred within the US.

d. Payments to foreign residents for goods produced abroad and imported into the US when title is transferred to the US government after the goods are imported. Goods are considered as imported upon clearance through US Customs.

28-5. Country or International Organization Identification:

a. Identification of Transactions to Country or International Organization. Transactions, except those relating to international organizations designated in DoD 5105.38-M, table 600-1, generally are identified to the country of residence of the payee or remitter, rather than the location of the disbursing officer. Identify transactions with international organizations not listed to the country to which payment is sent or from which collection is received. Identify deliveries to the country or international organization from which a collection is made. For transactions involving the Grant Aid program, identify deliveries to the recipient country or international organization. In exceptional cases where country of residence cannot be determined, identify transactions as follows:

- (1) Payments or collections by cash--country in which disbursed or collected.
- (2) Payments or collections by check--country to which check is sent or from which check is received.

b. Payments. Generally, payments are identified to the designated international organization or to the country of residence of the payee.

- (1) Government-to-Government Payments. Identify to the country of the foreign government involved.
- (2) Payments to Foreign Corporations and Individuals. Identify to the country of residence per paragraph

28-2h.

(3) US Personnel:

(a) US Personnel Ashore. Identify net pay to the foreign country in which the person is stationed, employed, or attached for duty. When a person is on TDY abroad and elects to receive pay abroad, identify to the country in which payment is made or check is addressed.

(b) US Personnel Afloat. Identify pay for US personnel afloat as US payments. Determine statistically, by country, the expenditures ashore by US personnel afloat.

(c) Allotments. If to an individual, identify to the country to which the allotment check is addressed. Identify all other allotment checks to the country of residence of the allottee.

(d) Contributions. Identify US government contributions (for example, FICA, retirement, health benefits, etc.,) to the US.

(4) Retired and Survivors' Pay. Identify the amount of the check to the foreign country to which mailed.

(5) Non-US Citizens:

(a) Direct Hire:

1. Identify net pay to the foreign country in which the person is employed.

2. Identify payment of all US government contributions and all amounts withheld from the employee's pay, at the time of payment, to the country to which paid.

(b) Indirect Hire. Identify payments under contracts for indirect hire of foreign nationals, including retirement accruals or separations allowances when paid, to the country to which paid.

(6) Construction and Services Performed Abroad Other Than Transportation and Travel. Identify payments for construction or services performed abroad to the country in which construction or service is performed, regardless of the place to which the check is mailed.

(7) Transportation and Travel:

(a) Transportation. Identify payments for the transportation of persons and things (TRs, bills of lading, warrants, or cash), paid to a transportation company, to the country of residence of the transportation company.

(b) Travel Allowances. Identify payments, including advances, for per diem allowances, dislocation allowances, and other incidental travel expenses, including transportation expenses of mileage allowances paid to persons:

1. Permanent Change of Station. To the country in which most of the allowances were earned.

Dislocation allowances are earned in the country to which the person's family moves. Advance payments of dislocation allowances are coded to the country to which the member or member's dependents are relocating.

2. Temporary Duty. To the country in which the temporary duty was performed. However, if the TDY is performed in several countries, do not code as IBP unless 50 percent or more of the entire amount is earned in reportable foreign countries (see paragraph 28-2a). Do not code any portion of the transaction as IBP when less than 50 percent of the total entitlement is earned in reportable foreign countries. In determining this percentage, consider TDY aboard ship and per diem earned while flying to or from the US and its possessions as earned in the US. When a reportable IBP transaction involves several overseas countries, code to the country to which most of the TDY costs are attributable. Identify advance travel payments initially to the country in which most of the allowance is expected to be earned. The paying AFO/OPLOC reports adjustments to advance travel payments as current quarter transactions when the settlement voucher is processed. Report TDY payments to direct hire foreign nationals with the same expense element as travel payments to US personnel.

(8) Materials, Supplies, and Equipment:

(a) Identify payment to a US corporation for materials, supplies (excluding petroleum products), and equipment acquired by the Air Force abroad to the country where it is delivered or accepted by the Air Force. However, when purchases of materials, supplies, or equipment are made from US corporations, where the US corporation delivers the items to a post office, Air Mobility Command (AMC) (formerly Military Airlift Command (MAC)), or other US government transportation agency in the US for subsequent delivery to a station located overseas, code the transaction to the US and not to the country in which the station is located. If place of delivery or acceptance is unknown, the general rule is to code the transaction to US.

(b) Identify payments to a US or foreign corporation for petroleum products as follows:

1. The country shown as the product source under which the payment is made (section III, paragraph B, of product source clause of the contract). When a region is shown rather than a country, identify the payment to the country shown in DD Form 250-1, Tanker/Barge Material Inspection and Receiving Report, item 9. If the product source cannot be established in accordance with the above, identify to the country where it is acquired by the Air Force.

2. When the petroleum product source is the US:

a. And the petroleum product is transported by Military Sea Command (MSC) or a US commercial vessel directly to the Air Force abroad, identify the payment to the US.

b. And the petroleum product is transported by MSTS or a US commercial vessel, but not transported directly to the Air Force abroad, code the payment to the country where it is delivered. Identify the cost of the US source product and the cost of the transportation as a return to the US. This will leave any residual foreign transportation costs coded as a payment entering IBP.

c. Identify petroleum services, other than ocean transportation, to the country in which the service is performed.

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(9) NATO Infrastructure and International Military Headquarters. Identify payments for NATO infrastructure to the country or to the appropriate NATO command that is the recipient of the payment (paragraph 28-3f(2)). Identify and code payments to international military headquarters, including those located in the US, with the appropriate code in DoD 5105.38-M, table 600-1.

(10) Returns to the United States. FAR, section VI, provides that contracts or other procurement documents for supplies and services and for construction, maintenance, and repair of real property facilities generally require US end products be furnished or certain specified services be performed in the US. Additionally, US contractors performing construction and service contracts overseas may acquire, on their own initiative, certain US end products, services, or transportation on US flag carriers in fulfilling their contracts. Identify and report the amount of such procurements of US end products, US services, and transportation on US flag carriers. The following rules apply:

(a) Procurement of Supplies, Materials, and Equipment. Identify and report as returns the amounts paid by the suppliers for their procurement of US end products and the amounts paid for transportation of goods on US flag carriers. This rule applies regardless of whether the supplier is a US or foreign resident.

(b) Construction and Service Contracts Performed Abroad:

1. If the contractor is a US concern, the amounts to be identified and reported as returns are:

a. The amount of US end products procured from the US by the contractor for incorporation in the project.

b. The amount paid to or kept in the US for services performed in the US and for profit, overhead, amortization costs, employee tax withholdings, and other indirect expenses, including that portion of the salaries of personnel paid to or kept in the US; and

c. The amount paid to US transportation companies for transportation on US flag carriers.

2. If the contractor is a foreign concern, the amounts to be identified and reported as returns are limited to:

a. The amount paid by the contractor to the US for US end products or US services required under the terms of the contract; and

b. The amount paid to US transportation companies for transportation furnished on US flag carriers.

(c) Identification Procedures in FAR. FAR specifies that certain contracts requiring procurement of US end products or US services require contractors or supplies to identify these amounts on invoices or other documents requesting payment, if the amount of the procurement exceeds \$10,000. However, FAR also provides that, if in the judgment of the contracting officer, more accurate and reliable data can be obtained on the amount of these returns, the contracting officer must determine at the time of award the percentage of each payment for each of the categories of returns to the US. In all cases where the amount of procurement is less than \$10,000, or where it is an open-end contract where individual procurements may be less than \$10,000, the contracting officer indicates conspicuously on the contract, purchase or delivery order, or other procurement document, the percentage or returns to the US under each of the return categories (US end products, services, or transportation). If the amount of returns is shown as a percentage, the activity responsible for preparing the payment voucher computes and enters on the payment voucher the amounts to be applied to each return category for balance of payments reporting purposes. In all cases where data is provided by the contractor on invoices or other documents requesting payment, contracting officers or, as appropriate, disbursing officers review these amounts for general reasonableness. The amount reported as returns to the US is identified in the same reports and to the same country for which payments to the contractor are reported.

(d) Exclusions. The amounts reported as returns in (c) above do not include payments by contractors to a DoD component for supplies or services such as utilities, telephone service, etc.

c. Deliveries and Collections. Identify deliveries of materiel or services to the country or international organization to which the collection will be identified. Identify collections to the countries making payments. Identify collections from international organizations to the international organization making payment. This applies even though the check of the foreign country or the international organization is drawn on a US bank, or a US Treasury check is issued to distribute a foreign remittance initially credited to 57F3875 (paragraph 28-6f).

28-6. Accounting and Reporting Requirements:

a. Accounting and Finance Data. Include all for-self and for-others collection and disbursement data in IBP reports for the report period.

b. Category and Country Codes Recorded on Face of Vouchers Affecting IBP:

(1) Code all payment and collection vouchers processed at overseas locations with the right category code and country or international organization code before time of payment or collection. Enter the IBP country code and

category code immediately after the accounting classification station number. (If an ESP code is also necessary, place after IBP code.)

(2) Apply category and country codes to vouchers processed in the US only for the transactions entering IBP.

c. Coded Authorizations. Make sure payment vouchers are properly coded to show category, procurement of US end products, transportation or services, and country or international organization. Code authorizations such as purchase orders, delivery orders, and contracts resulting in expenditures entering the IBP during preparation, when possible. Enter these same codes later on the face of the payment vouchers. If coding is later changed, show the revised coding on face of payment vouchers, including retained copy. When the authorization covers procurements of US end products, transportation, or services, enter the percentage or amount applicable to each procurement return category. Enter codes on all authorizations of these types of transactions.

(1) Construction and other service contracts, including contracts for scientific and technical knowledge, to be performed abroad. Include the right codes for identifying return to the US in the accounting classification in all cases where the contract, delivery order, or other procurement document is negotiated with a US resident. Also, include these category codes in the accounting classification where the contract is with a foreign resident and the contract requires the procurement of US end products or US services.

(2) Contracts for the procurement of materials, supplies, and equipment abroad. Include the right codes for identifying returns to the US in the accounting classification on all contracts or other procurement documents with both US residents and foreign residents where the contract requires that US end products will be delivered.

d. Summarized IBP Transactions. AFO/OPLOCs in the US and overseas reconcile the IBP and non-IBP transactions to the statement of transactions supporting the statement of accountability including FT accounts. US bases, subject to command approval, may develop their own procedures for reconciliation. Where each voucher is provided as supporting documentation to the statement of accountability, reconcile similarly where the data is summarized.

e. Informal Records for Coded Data. Certain category classifications required by this regulation may be maintained in informal records and included in the quarterly reports (paragraph 28-7).

***f. 57X6276, 57X6501 or 57F3875:**

(1) Two types of IBP transactions can be coded from these suspense accounts:

(a) Those moved to an operating or other receipt or expenditure account.

(b) Class E allotment payments for Air Force civilian employees overseas.

(2) The transactions described in (1)(a) above enter the IBP report of the accountable station, if the amounts were originally received from a foreign resident. The transactions described in (a) and (b) above enter the IBP report of the paying station when the payments are made. Use these guidelines to determine when and who reports these transactions reported in IBP:

(a) Remittances Received by Central Billing Offices (Area Control Units). Distribute remittances that cover invoices of more than one accountable station, first deposited in 57F3875, by issuing US Treasury checks. Accountable stations receiving these US Treasury checks enter the collection in IBP when the related receivable is liquidated; that is, when the appropriation/fund is credited with the payment by the foreign debtor. If part of the remittance credited to 57F3875 is transferred to accounts of the receiving office, the collection enters IBP when the transfer is made from 57F3875 to the appropriation/fund to receive credit.

*(b) Bid Deposits. Enter a bid deposit of a successful purchaser of surplus excess, foreign excess, scrap, or salvage in the IBP at the time transferred from DFAs 57X6501.SDEP, Small Escrow Amounts, Security Deposits, to receipt account 972651. Do not treat returns of deposits to depositors as IBP transactions. Clear amounts in suspense accounts as of month-end in the month after the entry into the account.

*(c) Class E Allotments. Post class E allotments disbursements from 57X6276, Other Federal Withholding, Allotments, as IBP transactions. This applies to Air Force civilian employees located overseas who have their allotment checks mailed to a foreign address. Use category code F.

*(d) Control. For control purposes in paragraph 28-6d above, consider amounts in 57X6276, 57X6501 or 57F3875 as not for IBP.

g. Delivery and Collection Data. Delivery data is synonymous with fiscal collection data as posted by the AFO/OPLOC, except:

(1) Report transfers of real property to foreign governments as deliveries by the Air Force as of the date of transfer.

(2) When materiel and services are provided as logistical support or under emergency conditions and billed locally by an AFO/OPLOC, amounts entering IBP normally are those shown on the collection document.

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h. Loans of Property. AFMC keeps a record of each aircraft or vessel (watercraft) loaned to a foreign country or international organization for more than 1 year. Price these items as carried on official Air Force property records at the time of transfer. See paragraph 28-8i for reporting requirements.

i. Defense Postal Service Transactions Abroad. This information as reported by USAFPCS/XRA provides the financial data for Defense Postal Services to individuals. This data is used to develop amounts available for spending abroad by United States personnel. See paragraph 28-3 and 28-4 for transactions entering and not entering IBP. Amounts shown in the report cover the reported quarter only and are noncumulative. See paragraph 28-8j for reporting requirements.

28-7. Supplemental Categories of Transactions. To facilitate DFAS-DE preparation of the consolidated IBP report (in the format prescribed by the Department of Commerce), AFO/OPLOCs must report IBP transactions to DFAS-DE by category code (see below), as well as by country code. All IBP transactions require a category code. If by definition a transaction involves more than one category code, prepare a separate transaction for each part of the transaction. Select IBP category codes according to table 28-1. The level of accounting data for recording transactions affecting IBP are controlled by the Master Appropriation Reference Table files. See AFM 177-370, section 20.61 for on-line access to the Data Selection files (Inquiry Menu Items 4 and 5). Category codes are explained below:

Category Code	Explanation
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|---|---|
| A | The actual amount of net pay and allowances, per diem, and/or reimbursement for travel that is given or mailed directly to the person in the form of cash, check, or military payment certificates, including paychecks mailed by a disbursing officer to any bank or financial institution for credit to the individual account of United States personnel stationed abroad. This also includes allotment checks mailed to a foreign address. Include personal claims paid to DoD personnel. |
| B | The actual amount paid to a United States military member or United States civilian employee permanently stationed in the United States, for reimbursement or advance payment for travel overseas; for example, a military member or a civilian employee permanently assigned for duty in Washington DC, sent TDY to Germany. |
| C | The amount of a payment to a United States contractor or supplier representing United States end products where required by the terms of the contract or where voluntarily procured from the United States without contractual requirement. That portion of Buy United States Here (BUSH) contracts that cover United States end products are also coded C (paragraph 28-5b(10)). |
| D | That portion of a payment to a United States contractor or supplier representing the amount remitted to the United States by the contractor or supplier for services performed in the United States and for profit and overhead (paragraph 28-5b(10)). |
| E | That portion of a payment to a United States contractor or supplier representing the amount paid to United States transportation companies by the contractor or supplier for transportation provided on United States flag carriers (paragraph 28-5b(10)). |
| F | A payment to a foreign contractor or supplier, no part of which is returned to the United States. Include net pay of direct- and indirect-hire foreign nationals (reported with EEIC cited on the voucher). |
| G | That portion of a payment to a foreign contractor or supplier representing the amount remitted to the United States by the foreign contractor or supplier for United States end products required under the terms of the contract. That portion of the payment covering Buy United States Here (BUSH) contracts is also coded G (paragraph 28-5b(10)). |
| H | That portion of a payment to a foreign contractor or supplier representing the amount remitted to the United States by the foreign contractor or supplier for United States services required under the terms of the contract. |

- I The amount of a payment to United States contractors or suppliers where no part is returned to the United States.
- J That portion of a payment to a foreign contractor or supplier representing the amount paid to a United States transportation company for transportation furnished on United States flag carriers (paragraph 28-5b(10)).
- K Used only by AFO/OPLOCs in overseas areas who issue Treasury checks for United States personnel in exchange for cash (United States dollars or MPC), for forwarding to the United States. This includes checks issued in exchange for cash for personnel rotating to the United States where the check is forwarded by the AFO/OPLOC to the United States. This code does not apply to Treasury checks drawn on USSDP accounts and given to personnel rotating to the United States.
- L A payment for ground POL.
- M A payment to CCC. Even though this category code is used on a payment document, it is shown on the collection portion of the report (report code H). Record payment to suppliers (report codes A and D), charged to an appropriation, in the normal manner and do not identify to any related barter transaction.
- N That part of net pay, in code A above, of United States civilian employees or military members mailed by the AFO/OPLOC to a United States address, by the AFO/OPLOC to a United States address for credit to an employee's or member's account in a military overseas banking facility, as a return to the United States. For example:
 1. Code as returns to the United States paychecks of United States civilian employees or military members mailed by the AFO/OPLOC for credit to accounts located in the United States with United States banks, financial institutions, or persons.
 2. An AFO/OPLOC located in the United States or overseas mails a blanket check to a bank located in the United States, which contains net pay to be credited to accounts overseas. Do not code as a return to the United States.
- Q A payment made by a foreign government to a United States contractor for construction with counterpart funds; for example, a payment made by the government of Spain to a United States contractor with counterpart funds for construction of family housing.
- R A payment made by a foreign government to a foreign contractor for construction with counterpart funds; for example, a payment made by the government of Spain to a foreign contractor for construction of family housing.
- S A payment made by a foreign government to either a United States or foreign contractor or vendor with counterpart funds for other than construction; for example, a payment made by the government of Spain with counterpart funds for maintenance of United States facilities in Spain.
- T, U, V Category codes T, U, and V are valid only with reimbursement transactions, and the money received in the accounts of an AFO/OPLOC represents collections from (1) foreign residents for items billed locally, and (2) cash collected for materiel (code T), services (code U), and transportation (code V).
- Z Foreign currency fluctuations (valid for disbursements). Payments which are valued at a foreign currency fluctuations (FCF) budget rate IAW with chapter 27, section M.

28-8. International Balance of Payments Report, RCS: DD-COMP(Q)743:

a. Requirements. This data on cash transactions abroad is needed by the United States, DoD, OMB, and other government agencies. It is used to formulate United States policies in areas affected by the IBP. Reports are required from all AFO/OPLOC.

b. Format. Mechanized reporting procedures are in AFM 177-370, section 91.

c. Period Covered. Calendar quarter.

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d. Responsible Processing Center. Operating location (OPLOC)/accounting reports - MAFR section (ARM).

e. Due Date. Due in DFAS-DE/ADAAC by the 18th CD following the close of the period covered. AFO/OPLOCs inactivated between reporting periods submit a partial report as of the last day of accountability. The AFO/OPLOC taking over the records of the inactivated station reports any activity after the date of inactivation. Negative IBP reports are required from all bases.

f. Distribution. Send the report records by FTP to DFAS-DE Data Processing Center, RUVGAA. Do not send listing of report records transceived.

g. Supplemental Data. Supplemental data not available from detail transactions is obtained by OPLOC/ARM from the other processing centers. Process all supplemental records with report code A (payments section), except those payments reimbursable from AID that contain report code D. Example of data not available from detail transactions is net pay. Civilian Payroll gives A&F supplemental data for civilian net pay and civilian checks returned to the United States. Military Pay gives the same type data for military pay to OPLOC/ARM.

h. Correction of Errors in Prior Reports. Do not include the correction of such errors in the current report. Include these adjustments in a separate letter report as provided below. Send the letter report to DFAS-DE/ADAAC anytime after the discovery of errors.

(1) Errors in Current FY. Include all adjustments regardless of amount. If the accountable station discovers an error of omission, over-statement or understatement of amount, or improper country coding, the accountable AFO/OPLOC advises the paying station of the error. The paying station letter report fully identifies the error as to:

- (a) Prior quarter or period.
- (b) "Reported as" coding.
- (c) "Should have been" coding.
- (d) Amount.
- (e) Reason for adjustment.

(2) Errors in Prior FY. Include only the adjustments that change the total for any one country or international organization in amounts of \$10,000 or more. Include the same detail as in (1) above.

i. Loans of Property. To Be Reported by AFMC. Report by country the amount of aircraft or vessels loaned or leased and amount returned from users. This report can be in letter format and negative reports are not required.

28-9. Audit Requirements. OPLOC/ARM audits and corrects the records before requesting the transmittal list:

- a. Reconcile IBP amounts to the monthly IBP/non-IBP reconciliation listing for the 3 months being reported.
- b. Verify validity of country codes and transaction category codes.

Table 28-1			
HOW TO SELECT IBP SUPPLEMENTAL CATEGORY CODES			
R U L E	A	B	C
	If the transaction is	and is for	then the category code is
1	a payment to US personnel abroad	100% of net pay, allowances, per diem, or reimbursement for travel expenses and personal claims to DoD personnel	A
2	a payment to US personnel NOT stationed abroad	reimbursement for travel expenses abroad	B
3	a payment to a US contractor or US supplier	US end products	C
4		US services	D
5		US transportation	E
6		no US end products, services, or transportation	F
7	a payment to a foreign contractor or supplier or direct-hire foreign national	US end products	G
8		US services	H
9		US transportation	J
10	receipt of cash from US personnel abroad	a treasury check	K
11	a payment to a US or foreign supplier	ground POL	L
12	a payment to the Commodity Credit Corporation (CCC)	proceeds from the sale of commodities by the barter contractor	M
13	a payment to US personnel	that part of net pay included in rule 1 above, mailed to the US by the AFO/DAO	N
14	a payment made by a foreign government to a US contractor with counterpart funds	construction	Q
15	a payment made by a foreign government to a foreign contractor with counterpart funds		R
16	a payment made by a foreign government with counterpart funds	other than construction	S
17	collections billed locally to foreign residents (includes cash collections from US and non-US citizens)	materiel	T
18		services	U
19		transportation	V
20	a payment made to a US contractor or US supplier	no US end products, service or transportation	I
21	foreign currency fluctuations (FCF)	payments valued at FCF budget rate IAW Chapter 27, section M.	Z

NOTES:

1. Example:

			\$20,000.00
A payment to a US contractor	US end products	\$10,000.00	
US supplier	US services	1,000.00	
	US transportation	2,000.00	
The proper way to code this payment is			
Report Code	IBP Sup Cat Code		
A		\$ 7,000.00	
A	C	10,000.00	
A	D	1,000.00	
A	E	2,000.00	

Total payment	\$20,000.00
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2. All transactions entering IBP must be coded to a foreign country and are limited to those countries identified as abroad in paragraph 28-2.

3. Collections from US personnel (excluding payroll deductions) are included in IBP. For example: A collection by the commissary representing cash sales to persons is coded with fund code 62, sales code 99.

4. Payments for construction and services performed abroad are identified to the country in which the construction or service is performed, regardless of residence of contractor or address to which check is mailed.

For Example: Payment for construction of a mess hall in the Philippine Islands is forwarded to a US contractor in California. Code this transaction with the country code for Philippine Islands (RP), not the United States.

5. Payments for Dependent Travel & DFAS-CO are considered as separate payments (paragraph 28-5b(7)(b) 1). For example: Dependent travel allowances from Orlando FL to Clark AFB, Philippines, and DFAS-CO are paid to member when they join member at Clark AFB, Philippine Islands. Code dependent travel payment as US, since most of the travel was performed in the US, & code the DFAS-CO payment as Philippine Islands (RP).

6. Only the net pay of military, US civilian, and local wage rate (LWR) employees enters IBP. Voucher deductions and government contributions for military and US civilians do not enter IBP. Voucher deductions and government contributions for LWR employees enter IBP when the payments are made to the foreign agency.

<i>Fund</i>	<i>Country Code</i>	<i>OAC</i>	<i>EEIC</i>	<i>Code</i>
<i>Examples of proper net pay coding</i>				
Payment of net pay to LWR	30	30	340	GM
Payment of benefits to foreign agency...	30	30	340	GM
Payment of net pay to US civilians	30	30	39X	GM

