



DEFENSE FINANCE AND ACCOUNTING SERVICE  
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June 12, 2019

MEMORANDUM FOR COMMANDER, UNITED STATES TRANSPORTATION  
COMMAND (ATTN: ACQUISITION EXECUTIVE)  
COMMANDER MARINE CORPS SYSTEM COMMAND  
(ACQUISITION LOGISTICS)  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT)  
DEPUTY ASSISTANT SECRETARY OF THE NAVY  
(ACQUISITION & PROCUREMENT)  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
(ATTN: DEPUTY DIRECTOR, LOGISTICS OPERATIONS)  
DIRECTORS, DEFENSE AGENCIES  
DIRECTORS, DEFENSE FIELD ACTIVITIES  
ASSISTANT SECRETARIES OF MILITARY DEPARTMENTS  
FINANCIAL MANAGEMENT & COMPTROLLER

SUBJECT: Discontinuance of Partial Quantity Disbursements

Effective October 1, 2019, the Defense Finance and Accounting Service (DFAS) Mechanization of Contract Administration Services (MOCAS) payment office will discontinue disbursement of invoices partially billing against contract line items with a quantity of "1". This is most often presented contractually as a quantity of "one" with a "LOT" unit of measure. **This policy change will apply to FY20 and future contracts.**

In November 2014, Defense Procurement and Acquisition Policy (now Defense Pricing and Contracting) issued policy regarding the adherence with DFARS rules in the construction of Contract Line Item Numbers (CLIN). Specifically, DFARS PGI 204.7103 (d) establishes that "no contract line item shall contain a quantity less than the number of deliveries anticipated on the line item". **In the case of supplies**, "line item quantities shall match the actual count of the supplies to be provided. For instance, if more than one delivery is expected, the quantity cannot be 1". In the case of services, DFARS further stipulates, "If the quantity used is 1, then no payment for delivery can occur until the end of the period of performance. Services with tangible deliveries, such as repairs, shall be structured like supply line items."

Contract arrangements that conflict with DFARS guidelines require manual invoice processing which results in increased costs for the services. Further, proper contract line item structure is critical to effective contract administration, closeout, and financial audit requirements.

As a result of this change, the following business rules and timelines apply:

- Effective October 1, 2019, with FY20 issued contracts MOCAS will no longer pay invoices that “partially bill” for items with a quantity of “1”. The quantity conflict is most often used with the “LOT” unit of measure; however, appropriate quantity compliance will be enforced regardless of the unit of measure applied.
- A Contract Deficiency Report (CDR) will be issued to correct the contract once the deficiency is detected. Since this will most likely occur at the point of invoice/DD250 receipt both of these documents will require rejection. Resubmission would be appropriate **after** contract corrections occur.
- Because precedence has been established we will continue the practice of partial payment against one “LOT” CLINs for all FY19 and prior issued contracts.

The MOCAS system/processes has been a long-standing pillar in the management of the Departments prominent major weapons systems and defense contracts. As we move forward with implementing this change we look forward to our continued partnership in managing the Departments premier business, with improved auditability in support of the Warfighter.

If you have any questions, or need additional information, please contact Ms. Cassandra McDuff, Director, Accounts Payable MOCAS. She can be reached at (614)701-4452 or via e-mail at [cassandra.a.mcduff.civ@mail.mil](mailto:cassandra.a.mcduff.civ@mail.mil).

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Director, DFAS Columbus

CC: DFAS CLIENT EXECUTIVES  
DEFENSE PRICING AND CONTRACTING, DIRECTOR, CONTRACTING EBUSINESS