



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3000 MARINE CORPS PENTAGON
WASHINGTON, DC 20350-3000

IN REPLY REFER TO:
CMC-L
13 MAY 2004

WHITE LETTER NO. 02-04

From: Commandant of the Marine Corps
To: All General Officers:
All Commanding Officers
All Officers in Charge

Subj: LATE PAYMENTS TO VENDORS

Ref: (a) MARADMIN 510/03

1. Your immediate attention to a long-standing and serious problem is required. As a result of late payments to vendors, the Marine Corps continues to incur interest penalty charges that are eating away at our appropriated funds. The money spent in paying late fees to vendors could be better utilized on our many competing priorities and the Global War on Terrorism.
2. The reasons for these interest penalties involve both the Defense Finance and Accounting Service (DFAS) and the Marine Corps. For the Marine Corps, the two major causes of interest penalties are "missing or late receiving reports" and "pre-validation failures." The solution for the missing or late receiving reports is Wide Area Work Flow-Receipt and Acceptance (WAWF-RA). The solution for the pre-validation failures is the timely and accurate entering of obligations into the Standard Accounting Budgeting and Reporting System (SABRS).
3. To fix these problems, we must immediately implement WAWF-RA at every receipt and acceptance point in the Marine Corps in accordance with the guidance provided in the reference. Additionally, we must reinforce this implementation with internal controls to ensure obligations are recorded in SABRS accurately and in a timely manner.
4. I have directed the Deputy Commandants, I&L and P&R, to provide oversight by holding individual commands accountable for interest penalties incurred. Major subordinate commands at fault for interest penalty payments will have their allotted funds reduced by the same amount to reimburse the centrally managed account for interest penalties. Major subordinate commands will now be held liable for DFAS errors of failures to make timely payment.
5. I am confident that with your personal involvement and oversight, along with our partnership with DFAS, we will ensure proper accountability and correct this problem.


M. W. HAGEE