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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
7014 FEDERAL BUILDING, 1961 STOUT STREET
DENVER, COLORADO 80202

September 25, 1970



Commander
Defense Contract Administration
Services Region, New York
60 Hudson Street
New York, New York 10013

Dear Sir:

We have made an examination of the December 1969 voucher account submitted by Major S. F. Gumbs, Jr., under Air Force disbursing symbol 5246. Our review was made at the Air Force Accounting and Finance Center and consisted of a detailed examination of vouchers selected through the use of generally accepted statistical methods. Payments under cost-reimbursement type contracts, which are subject to site examination by the General Accounting Office, were not considered in this examination.

We audited 104 of the 1,722 disbursing vouchers and 21 of the 44 collection vouchers submitted for December 1969. Our review disclosed that 38 disbursement vouchers involved payments where discounts were offered. We found that in seven of the 38 payments, discounts were lost since payments were not timely made. There was also one disbursement voucher evidencing that timely payment was not made; however, the payment was reduced by the amount of the discount. The above payments are identified and explained on the enclosed attachment.

The results of our review are being furnished for your information. Please advise as to the action taken to preclude loss of discounts through untimely payments.

Sincerely yours,

S. D. McElyea
Regional Manager

Attachment

cc: Comptroller of the Air Force
Director, Defense Supply Agency
Commander, AFAPC

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LOST DISCOUNTS - TIMELY PAYMENTS NOT MADEVoucher No. S129-20 - Payee: Aircraft Supplies

Contract No. F41608-69-C-3224 and invoice provide a discount of one-fourth of 1 percent - 10 calendar days. Invoice No. 3745301 for \$473.72 is dated November 11, 1969 and is stamped as being received November 14, 1969 (318 Julian date). Payment was made December 1, 1969. A discount of \$1.18 was lost.

Voucher No. S134-29 - Payee: Elastic Stop Nut Corporation

Invoice offered one-half percent - 10 days, net 30. Contract No. F09603-69-A-0043 states that discount for prompt payment is to be specified on each order. Delivery order No. SDO8, procuring the supplies, shows the discount terms as net. Invoice No. OR69577 for \$9,995.52 is dated November 13, 1969 and is stamped as being received November 19, 1969 (323 Julian date). Payment was made December 8, 1969. A discount of \$49.98 was lost.

Voucher No. S142-14 - Payee: Bruno-New York Industries Corporation

Invoice offered "1/10 of 1% anticipation may be deducted for payment of this invoice within 10 days." Contract No. F41608-70-C-5319 shows discount for prompt payment as net. Invoice No. 168928 for \$902.88 is dated November 26, 1969 and is stamped as being received November 28, 1969 (332 Julian date). Payment was made December 17, 1969. A discount of \$0.90 was lost.

Voucher No. S143-80 - Payee: S.M.S. Instruments, Inc.

Invoice offered 1 percent, 10 days, net 30. Contract F41608-69-D-2973 shows 1 percent, 10 calendar days. Invoice No. 6352 for \$702 is dated September 29, 1969 and is stamped as being received October 2, 1969 (275 Julian date). Payment was made December 18, 1969. A discount of \$7.02 was lost.

Voucher No. S145-35 - Payee: Lawrence Aviation Inds., Inc.

Invoice offered 1 percent - 20 days, net 30. Contract No. F09603-69-C-3441 shows 1 percent 20 days. Invoice No. 33012 for \$7,110.22 is dated November 17, 1969 and is stamped as being received November 19, 1969 (323 Julian date). Payment was made December 19, 1969. A discount of \$71.10 was lost.

Voucher No. S146-04 - Payee: Aircraft Supplies

Invoices offered one-fourth percent 10 days, net 30. Contract No. F41608-69-C-1603 shows one-fourth percent 10 calendar days. Invoices No. 3531207 for \$1,807.72 and No. 3531208 for \$1,505 dated

November 20 and December 1, 1969 are stamped as being received November 24 and December 4, 1969, respectively (328 and 338 Julian dates). Payment was made December 22, 1969. A total discount of \$8.28 was lost.

Voucher No. S145-20 - Payee: Stop Fire, Inc.

Invoice offered one-half of 1 percent 20 days. Invoice No. B23917 for \$7,996.64 dated November 13, 1969 is stamped as being received November 17, 1969 (321 Julian date). Payment was made December 19, 1969. A discount of \$39.98 was lost.

DISCOUNT TAKEN - TIMELY PAYMENT NOT MADE

Voucher No. S137-28 - Payee: Prodelin, Inc.

Invoice offered one-half of 1 percent 10 days. Contract No. F34601-69-C-3919 shows one-half percent 20 calendar days. Invoice No. 1602 for \$2,680 is dated November 14, 1969 and is stamped as being received November 17, 1969 (321 Julian date). Payment was made December 11, 1969, after the discount period had expired; however, the payment was reduced by \$13.40, the amount of the discount.