

CHAPTER 4**USER CHARGES**0401 **OVERVIEW**

040101. **Purpose.** This chapter implements the DoD program under Title 31, United States Code, section 9701 and Office of Management and Budget (OMB) Circular No. A-25, "User Charges," to establish appropriate charges for authorized services provided by DoD organizations.

040102. **Applicability.** None of the provisions in this chapter should be construed as providing authority for the sale or lease of property, or the rendering of special services. Actions to convey such special benefits must be authorized by separate authority. This user charge policy is applicable except when other statutes or directives specifically direct other practices or procedures.

0402 **POLICY AND PROCEDURES**

040201. **General.** It is DoD policy not to compete with available commercial facilities (see DoD Directive 4100.33, "Commercial Activities Program Procedures") in providing special services or in the sale or lease of property to private parties and agencies outside the Federal Government. However, when a service or sale is made that conveys special benefits to recipients, above and beyond those accruing to the public at large, a reasonable charge shall be made to each identifiable recipient, except as otherwise authorized by the Secretary of Defense. A special benefit will be considered to accrue, and a charge shall be imposed, when the service rendered:

A. Enables the recipient to obtain more immediate or substantial gain or values (which may or may not be measurable in monetary terms) than those which accrue to the general public; or

B. Is performed at the request of the recipient and is above and beyond the services regularly received by, or available without charge to, the general public.

040202. **Costing**

A. A charge shall be imposed to recover the full cost to the Federal Government of rendering a service or the fair market value of such service, whichever is higher. Fair market value shall be determined in accordance with commercial rates in the local geographical area. In the absence of a known market value, charges shall be made based on recovery of full costs to the Federal Government.

B. When federally owned resources or property are leased or sold, a fair market value shall be obtained. Fair market value shall be determined by the application of sound business management principles and, so far as practicable and feasible, in accordance with comparable commercial practices. Charges based on fair market value need not be limited to the recovery of costs; they may produce net revenues to the government.

040203. Exclusions and Exceptions

A. The provisions of this chapter do not apply when other statutes or directives require different practices or procedures, such as for:

1. Morale, welfare, and recreation services to military personnel and civilian employees of the Department of Defense and other services provided in accordance with enclosure 1.

2. Sale or disposal of surplus property under approved programs (see [Chapter 5](#) of this volume).

3. Services furnished the general public relating to, or in furtherance of, the U.S. Armed Forces recruiting program.

4. Services furnished to representatives of the public information media in the interest of public understanding of the U.S. Armed Forces.

5. U.S. Armed Forces participation in public events. Charges for such participation are governed by the provisions of DoD Instruction 5410.19, "Armed Forces Community Relations."

6. Records made available to the public, under the Freedom of Information Act, pursuant to DoD Directive 5400.7, "DoD Freedom of Information Act Program." Charges for such record searches and copies of records are governed by Chapter VI of DoD Directive 5400.7. However, documents copied for the public not subject to DoD Directive 5400.7 (even though documents are copied in a FOIA reading room) or subparagraph B.3. are governed by this chapter.

7. Services furnished to non-Federal audio-visual media. Charges for such services are governed by the provisions of DoD Instruction 5410.15, "DoD Public Affairs Assistance to Non-Government, Non-Entertainment-Oriented Print and Electronic Media."

8. Government-developed computer programs released to non-Federal customers. Charges for software packages are governed by DoD Instruction 7930.2, "ADP Software Exchange and Release."

9. Pricing of performance by Department of Defense Working Capital Fund activities which shall be in accordance with [Volume 11B](#) of this Regulation.

10. Foreign Military Sales of defense articles and services which shall be in accordance with [Volume 15](#) of this Regulation.

B. Charges may be waived or reduced when:

1. The recipient of the benefits is engaged in nonprofit activity designed for the public safety, health, or welfare.

2. Payment of the full fee by a state, local government, or nonprofit group would not be in the interest of the program.

3. Furnishing of the service without charge is an appropriate courtesy to a foreign country or international organization, or comparable fees are set on a reciprocal basis with a foreign country.

4. The incremental cost of collecting the fees would be an unduly large part of the receipts from the activity.

0403 RESPONSIBILITIES

040301. Under Secretary of Defense (Comptroller) shall consider and make necessary additions or revisions to these provisions.

040302. Heads of DoD Components, or designees, shall:

- A. Identify each service or activity covered by this chapter.
- B. Determine the extent of the special benefit provided.
- C. Determine applicable cost and fair market value.
- D. Establish appropriate charges and collect from recipients of special services.
- E. Grant cost waivers or reductions consistent with guidance in this chapter.
- F. Recommend to the USD (Comptroller) necessary additions and revisions to this chapter.

0404 CHARGES AND FEES

040401. General

A. All charges and fees shall be based on total cost to the U.S. Government or fair market value, whichever is higher. Total cost shall be based on actual cost or replacement cost (when property is to be replaced) and accumulated expense data. Estimates from the best available records may be used if actual cost or expense data is not available.

B. Cost accounting systems shall not be established solely for the purpose of determining charges, but the results of existing cost accounting systems shall be used. Total cost shall include all direct and indirect costs in accordance with [Volume 11B](#) of this regulation.

C. Charges and fees established in advance of performance shall be based on the estimated cost of performance (including applicable depreciation), prorated over the period of performance. Projected amounts shall be reviewed annually or whenever significant changes in cost or value occur.

D. Management controls (see DoD Directive 5010.38, “Management Control (MC) Program”) must be established to ensure that charges and fees are developed and adjusted, using current, accurate, and complete data, to provide reimbursement conforming to statutory requirements. These controls also must ensure compliance with cash management and debt collection policies in accordance with [Volume 5](#) of this Regulation.

040402. Services

A. Basic Requirements. The maximum charge for a special service shall be governed by its total cost or fair market value, whichever is higher, and not by the value of the service to the recipient. The cost computation shall include the direct and indirect costs to the government of carrying out the activity. Typically, costs for service may include:

1. Civilian salaries or wages, including the full cost of benefits, such as leave, retirement, and medical and life insurance.
2. Military personnel services, including retirement, other personnel support, leave, and permanent change of station factors.
3. Materials, supplies, travel expenses, communications, utilities, equipment and property rental, and maintenance of property and equipment.
4. Depreciation expense and interest on investment (currently at a 10 percent annual rate) (see OMB Circular A-94, “Discount Rates to be Used in Evaluating Time-Distributed Costs and Benefits”) for DoD-owned fixed assets.
5. Other operational, administrative, and accessorial costs incurred by the activity while establishing standards and regulations and research in support of the service performed.

B. Fees and Rates. Fees and rates shall be based on actual costs. The charges for services provided by data processing activities shall be determined by using the costs accumulated pursuant to requirements in OMB Circular A-121, “Cost Accounting, Cost Recovery and Interagency Sharing of Data Processing Facilities,” and Federal Government Accounting Pamphlet No. 4, “Guidelines for Accounting for Automatic Data Processing Costs.” Fees and rates for recurring services shall be established in advance, when feasible. Recurring services include, but are not limited to, copying, certifying, and researching records, except when those services are excluded or exempted from charges under subparagraph 040203.B.3., above, or in accordance with “Benefits for Which No Charge Shall be Made” included as Appendix 1 to this chapter.

C. DoD-wide Fees and Rates. The “Schedule of Fees and Rates for Copying, Certifying, and Searching Records Rendered to the Public” included as Appendix 2 to this chapter mandates fees and rates for certain services for use throughout the Department of Defense. Recommendations for additions and revisions to the schedule will be made to the USD (Comptroller).

040403. Lease or Sale of Property. Charges for lease or sale of property shall be based on the following:

A. Leases of Military Equipment or Real Estate

1. In cases involving the lease or rental of military equipment, when there is no commercial counterpart, fair market value will be based on the computation of an annual rent which will be the sum of the annual depreciation plus interest on investment. The amount of interest on investment is determined by applying the interest rate to the net book value; that is, acquisition cost plus additions less depreciation. The current interest rate in OMB Circular A-94 shall be used. Support, if furnished, and applicable general administration expenses will be added to the reimbursable cost. In determining the value, consideration may be given to the responsibility of the lessee to assume the risk of loss or damage to the property and to hold the government harmless against claims or liabilities by the lessee or third parties.

2. In those cases involving real estate outgrants, the leasing activity shall recover the higher of the fair market value of the asset being leased or the administrative costs of issuing and processing an outgrant.

B. Sale of Property. When there is legal authority to sell property to the public, the selling price of the property and related accessorial and administrative costs shall be computed in accordance with [chapter 1](#) of this volume.

0405 COLLECTIONS

040501. For Federal customers, collections of charges and fees shall be made in advance of rendering the service, except when preservation of life or property is involved, performance is authorized by law without advance payment, or advance payment is impractical because multiple requests for services are received on a continuing basis from a reliable requester (i.e., one who consistently pays promptly for services received). When an advance collection exception is approved, an accounts receivable will be established to control collections. For non-Federal customers, collections of charges and fees will be made in advance in all cases. The policies in this volume, [Volume 5](#) of this Regulation, and DoD Directive 5010.38 shall be used in accounting, controlling, and managing cash and debt collections.

A. Collections of fees and charges normally will be deposited to “Miscellaneous Receipts of the Treasury” unless otherwise authorized by law or regulation.

B. Collections for utilities and services in connection with the lease of property shall be deposited to the appropriation or fund responsible for financing the operations of the equipment or facility.

0406 LEGISLATIVE PROPOSALS

In cases where collections of fees and charges for services or property are limited or restricted by provisions of existing law, the DoD Component(s) concerned may submit appropriate remedial legislative proposals under applicable legislative procedures. Procedures may be obtained from the Legislative Reference Directorate, Office of the General Counsel, Room 3D282, The Pentagon, Washington, DC 20301-9600.

APPENDIX 1**BENEFITS FOR WHICH NO CHARGE SHALL BE MADE¹**

- A. Services² requested by members of the U.S. Armed Forces in their capacity as Service members.
- B. Services requested by members of the U.S. Armed Forces who are in a casualty status, or requested by their next of kin or legal representative, or requested by any source, when it relates to a casualty.
- C. The address of record of a member or former member of the U.S. Armed Forces when the address is readily available through a directory (locator) service, and when the address is requested by a member of the U.S. Armed Forces or by a relative or a legal representative of a member of the U.S. Armed Forces or when the address of record is requested by any source for the purpose of paying monies or forwarding property to a member or former member of the U.S. Armed Forces.
- D. Services requested by or on behalf of a member or former member of the U.S. Armed Forces or, if deceased, his or her next of kin or legal representative that pertain to the following:
1. Information required to obtain financial benefits regardless of the terms of separation from the Service.
 2. Document showing membership and military record in the Armed Forces if discharge or release was under honorable conditions, except as provided in subparagraphs 4.a. and 4.d.
 3. Information relating to a decoration or award or required for memorialization purposes.
 4. Review or change in type of discharge or correction of records.
 5. Personal documents, such as birth certificates, when such documents are required to be furnished by the member.
- E. Services that are furnished free in accordance with statutes or executive orders.
- F. Information from or copies of medical and dental records or x-ray films of patients or former patients of military medical or dental facilities, when such information is required and requests for such data are (a) submitted by an accredited medical facility, physician, or dentist; or (b) requested by the patient, his or her next of kin, or legal representative.

- G. Services involving confirmation of employment, disciplinary or other records, and salaries of active or separated civilian or military personnel, when requested by prospective employers or recognized sources of inquiry for credit or financial purposes.
- H. Services requested by and furnished to a Member of Congress for official use.
- I. Services requested by state, territorial, county, or municipal government, or an agency thereof, that is performing a function related to or furthering a DoD objective.
- J. Services requested by a court, when such services will serve as a substitute for personal court appearance of a military or civilian employee of the Department of Defense.
- K. Services requested by a nonprofit organization that is performing a function related to or furthering an objective of the Federal Government or that is in the interest of public health and welfare, including education.
- L. Services requested by an individual or corporation that is performing a function related to or furthering an objective of the Federal Government, when the cost of such services would be chargeable to a Federal Government contract or grant held by the individual or corporation.
- M. Services requested by donors with respect to their gifts.
- N. Requests for occasional and incidental services (including requests from residents of foreign countries), that are not requested often, when it is determined administratively that a fee would be inappropriate for the occasional and incidental services rendered.
- O. Requests from Federal employees for the completion of claims for reimbursement under Public Law 86-382, Federal Employees Health Benefit Act of 1959.
- P. Administrative services provided by reference or reading rooms to inspect public records, excluding copies of records or documents furnished.
- Q. Requests for military locator service by financial institutions that are located on DoD installations.
- R. Requests for military locator service by financial institutions that are engaged in the direct deposit program and that are not located on DoD installations. Requests for an address of record shall include the following:
1. A statement that the financial institution is listed as a direct deposit recipient in the current Treasury Department "Financial Organizations Directory."
 2. A statement that the individual, whose address is being requested, has his or her pay forwarded as a direct deposit by a DoD disbursing officer.
 3. The individual's account number at the financial institution.

S. Services rendered in response to requests for classification review of DoD classified records, submitted under Executive Order 12065, “National Security Information,” and implemented by DoD 5200.1-R, “Information Security Program Regulation.” Such services consist of the work performed in conducting the classification review or in granting and completing an appeal from a denial of declassification following such review.

T. Services of a humanitarian nature performed in such emergency situations as life-saving transportation for non-U.S. Armed Forces patients, search and rescue operations, and airlift of personnel and supplies to a disaster site. This does not mean that inter- and intra-governmental agreements to recover all or part of costs should not be negotiated. Rather, it means the recipient or beneficiary will not be assessed a “user charge.”

¹Unless otherwise prohibited by law or other DoD issuance.

²Services may include requests involving property or other resources of Department of Defense.

APPENDIX 2**SCHEDULE OF FEES AND RATES FOR COPYING, CERTIFYING AND SEARCHING RECORDS RENDERED TO THE PUBLIC**

This schedule applies to authorized services related to copying, certifying, and searching records rendered to the public by DoD Components, except when those services are excluded or excepted from charges under subparagraph 040203, or the "Benefits for Which No Charge Shall be Made" included as Appendix 1 to this chapter. Except as provided in special cases prescribed below, a minimum fee of \$3.50 will be levied for processing any chargeable case. Normally only one copy of any record or document will be provided.

Requests involving	<u>Fee</u>
1. <u>Training and Education (copies of documents required for other than official purposes)</u>	
a. Transcripts	
First copy	\$3.50
Each additional copy	.45
(includes requests for transcripts of graduation from military academies and schools)	
b. Certificates	
First copy	\$3.50
Each additional copy	.45
(includes all requests for certificates, verification of attendance, and course completion from service schools and other facilities.)	
2. <u>Medical and Dental Records of Patients and Former Patients (when requested for purposes other than further medical treatment)</u> . Covers request for information from or copies of medical records, including clinical records (inpatient records of military and non-military patients), health records (military out-patient records), outpatient records (non-military outpatient records), dental records, and loan of x-rays.	
a. Searching and processing (per hour)	\$13.25
Minimum charge	8.30
b. Each typewritten page	3.50
c. Office copy reproductions (per image)	.10
d. Copy or loan of each x-ray	8.50
3. <u>Military Membership and Record (Excluding Medical and Dental Records)</u>	
a. Address of record, each	\$ 3.50
b. Copies of releasable military personnel records (e.g., effectiveness reports for	

officers and enlisted personnel) reproduced for the personal use of active, retired, and former members, next of kin of missing-in-action or deceased members of the Armed Forces.

Minimum charge (up to six reproduced images)	\$3.50
Each additional image	\$.10
Statement of verification of service or report of report of separation for individuals with other than honorable discharges	5.20

4. Photography

a. Still pictorial or documentary photographic prints. Unlisted standard sizes of prints may be furnished, if available, at prevailing contract or activity rates.

Price Per Print:

<u>Quantity:</u>	<u>1-9</u>	<u>10-20</u>	<u>21-50</u>	<u>50+</u>
8" x 10" single weight (RC type) paper	\$ 4.50	\$ 3.25	\$ 2.50	\$ 1.75
11" x 14" single weight (RC type) paper	9.00	7.00	5.00	4.00
16" x 20" " " " "	19.00	15.00	12.00	9.50
20" x 24" " " " "	30.00	25.00	20.00	15.00
8" x 10" " " color "	11.00	7.50	3.50	3.00
11" x 14" " " " "	17.00	9.00	6.50	5.50
16" x 20" " " " "	35.00	25.00	14.00	11.50
35~ color transparency slide made from color negative	5.00	3.50	3.00	3.00
35mm duplicate from 35~ slide	1.00	.60	.50	.45
Print mounted on 16" x 20" cardboard	8.00	+ unit price of print		
Print mounted on 20" x 24" cardboard	12.00	+ unit price of print		
8" x 10" color transparencies	20.00	(first); 16.00 each add'l		
4" x 5" " "	4.50			
4" x 5" B&W negative	2.00			
70mm color negative	7.50			

NOTE: Prices may vary by 20% of these average charges based on local in-house labor, equipment, and supply (raw stock) costs.

b. Motion Picture

<u>Color</u>	<u>Price Per Foot</u>
<u>Contact</u>	

16mm work print (positive work print from an original negative)	\$.20
16mm reversal work print	.20
16mm color master ("A" roll)	.60
16mm duplicate negative (from master positive)	.60
16mm reversal duplicate negative	.85
16mm internegative (from reversal original)	.70
16mm short rolls (under 100 ft)	.10 + basic price
16mm tab-to-tab printing	.20 + basic price

Black and White

16mm work print (negative/positive)	\$.10
16mm master positive (fine grain)	.25
16mm duplicate negative	.25
16mm short rolls (under 200 ft)	.10 + basic price
16mm tab-to-tab printing	.10 + basic price

c. Miscellaneous

Magnetic tape - dub from 16mm film	\$ 65.00 + raw stock
Searching (per hour or fraction thereof)	18.00
Minimum charge per film order (including search)	35.00
16mm film to videotape (broadcast quality tape format per hour)	275.00 + raw stock
Minimum charge for film to videotape transfer	140.00 + raw stock

Aerial photographic print processing prices will be determined by the local DoD-operated lab due to limited availability.

35mm film processing for motion pictures is not done in-house by the DoD. Charges for this type of processing will be at prevailing contract rates on a case-by-case basis.

5. Construction and Engineering Information. Copies of aerial photograph maps, specifications, permits, charts, blueprints, and other technical engineering documents.

a. Searching, per hour or fraction thereof (including overhead costs)	\$13.25
b. First print	2.50
c. Each additional print of same document	.85

6. Copies of Medical Articles and Illustrations. Standards contained in this chapter will be utilized in computing costs.

7. Claims, Litigation. Copies of documents required for other than official purposes. (Includes court-martial records furnishing information from Report of Claims Investigations; e.g., automobile collision investigations and safety reports.) Requests pertaining to private litigation and to cases in which the United States is a party and where court rules provide for reproduction of records without cost to the government (if not covered in 2. or 3., above).

a.	Searching and processing (per hour)	\$13.25
	Minimum charge	8.30
	Note: Charges for professional search or research will be made in accordance with 10.b., below.	
b.	Office copy reproduction (minimum for six pages or less)	3.50
c.	Each additional image	.10
d.	Certification and validation with seal, each	5.20

8. Publications and Forms. A search and/or processing fee, as described in 10.a., below, will be made for requests requiring extensive time (one hour or more).

a.	Shelf Stock. (Requesters may be furnished more than one copy of publication or form if it does not deplete stock levels below projected planned usage.)	
(1)	Minimum fee per request (six pages or less) plus:	\$3.50
	(a) Form, per copy	.10
	(b) Publications, per printed page	.02
	(c) Microfiche, per fiche	.10
(2)	(Examples: Cost of 20 forms, 5.50; cost of a publication with 100 pages, 5.50; cost of microfiche publication consisting of 10 fiches, 4.50)	
b.	Office Copy Reproduction (when shelf stock is not available)	
(1)	Minimum fee per request (six pages or less)	\$3.50
(2)	Each additional page	.10
(3)	Minimum charge first fiche	8.70

	(4) Each additional fiche	.20
9.	<u>Engineering Data (Microfilm)</u>	
	a. Aperture Cards	
	(1) Silver duplicate negative, per card	.75
	When keypunched and verified, per card	.85
	(2) Diazo duplicate negative, per card	.65
	When keypunched and verified, per card	.75
	b. 35mm roll film, per frame	.50
	c. 16mm roll film, per frame	.45
	d. Paper prints (engineering drawings), each	1.50
	e. Paper reprints of microfilm indices, each	.10
10.	<u>General</u> . Charges for any additional services not specifically provided above, consistent with the provisions of this chapter, will be made by the respective DoD Components at the following rates:	
	a. Clerical search and processing, per hour	\$13.25
	Minimum charge	8.30
	b. Professional search or researching (To be established at actual hourly rate prior to search. A minimum charge will be established at an hourly rates.)	
	c. Minimum charge for office copy reproduction	
3.50	(up to six images)	
	d. Each additional image	.10
	e. Each typewritten page	3.50
	f. Certification and validation with seal, each	5.20
	g. Hand-drawn plots and sketches, each hour or	12.00

fraction thereof