

VOLUME 11A, CHAPTER 11: “SPECIAL OR TECHNICAL SERVICES TO STATE AND LOCAL GOVERNMENTS”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **April 2013** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
110102	Added an authoritative guidance paragraph to allow for easier source identification while also complying with standard operating procedures.	Addition
110202.A	Added additional types of allowable services that may be provided by the Department of Defense to State and units of Government.	Addition
110204	Added guidance related to the reporting of services provided to State or Local governments to the applicable committees in the Senate and House of Representatives.	Addition

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CHAPTER 11

SPECIAL OR TECHNICAL SERVICES TO STATE AND LOCAL GOVERNMENTS

1101 GENERAL

110101. Purpose

The **purpose of this** chapter **is to** provide the policy for sale of special or technical services to both state and local governments, and also provide guidance on amounts that **must** be recouped when the **Department of Defense (DoD)** Components perform **these** services. **Overarching** legal authority to sell to state or local governments is not provided in this chapter because specific legal authority must be identified to make such sales. This guidance supplements the standards for financial accounting for receivables, and budgetary accounting for reimbursements, discussed in Volume 4, Chapter 3 and Volume 3, Chapter 15.

*110102. Authoritative Guidance

The financial management policy and related requirements promulgated throughout this chapter are in accordance with the applicable provisions of:

A. Office of Management and Budget **(OMB) Circular No. A-97**, “Rules and Regulations Permitting Federal Agencies to Provide Specialized or Technical Services to State and Local Units of Government Under Title III of the Intergovernmental Cooperation Act of 1968”; and

B. Title 31, United States Code, Section 6505 **(31 U.S.C. § 6505)**, “Authority to provide specialized or technical services.”

1102 POLICY AND REPORTING

110201. Policy Requirements

It is the policy of the Department to cooperate to the maximum extent possible with state and local governments to provide specialized or technical services. Such services generally **must** supplement and not supplant any services provided under other authority.

A. **Pricing**. Specialized or technical services to state and local governments **must** be priced as a sale to private parties at the full costs to the Department. General rules on determining amounts to be reimbursed **vary as there are several categories with applicable guidance to follow when determining amounts to be collected**. Components may also use guidance found in other sources as applicable. Refer to Chapter 1 for more details.

B. **Disposition of Proceeds**. Payments received by DoD Components for providing service **must** be deposited to the credit of the appropriation or account from which the costs of providing the services have been paid or are to be charged. Unfunded portions of the costs of such services **must** be deposited to the U.S. Treasury as miscellaneous receipts.

110202. Types of Services

* A. The following are specialized or technical services that may be provided.

1. Any existing statistical or other studies and compilations, [development projects](#), results of technical tests and evaluations, technical information, surveys, reports, documents, and any such materials which may be developed or prepared in the future to meet the needs of the federal government or to carry out a DoD Component's normal responsibilities.

2. Preparation of statistical or other studies and compilations, [development projects](#), technical tests and evaluations, technical information, surveys, reports, documents, and assistance in the conduct of such activities, and in the preparation of such materials, provided they are similar to those that the DoD Component is authorized by law to conduct or prepare.

3. Training of the type that the DoD Components are authorized by law to conduct for DoD personnel.

4. Technical aid in the preparation of proposals for development and other projects, for which the DoD Components provide grants-in-aid or other assistance, provided such aid primarily develops recipients' capability to prepare their own proposals.

5. Technical information, data processing, communications and personnel management systems services, and technical advice on improving logistical and management services that the DoD Components normally provide the DoD for themselves or others under existing authorities.

B. Any of the specialized or technical services provided by a DoD Component to states and their political subdivisions under other authorities also may be provided under the authority of OMB Circular No. A-97.

C. If a DoD Component receives a request for specialized or technical services that is not covered in [110202.A](#), but that is consistent with the OMB Circular No. A-97, and which the Component has a special competence to provide, the Component [must](#) forward the request to the Assistant Secretary of Defense ([Sustainment](#)) (ASD(S)) for submission to OMB for review. If there is doubt whether the service requested is covered, the Component should forward the request to the ASD(S) for review.

110203. Conditions Under Which Services May Be Provided

Specialized or technical services covered under OMB Circular No. A-97 may be provided at the discretion of the DoD Component head only under the following conditions:

A. Such services [must](#) be provided only to states, their political subdivisions, and combinations or associations of such governments, their agencies, and instrumentalities.

B. Such services **must** be provided only upon the written request of a state or its political subdivision. Requests normally **must** be made by the chief executive of such entities and **must** be addressed to the head of the DoD Component involved.

C. Such services may not be provided unless the servicing DoD Component maintains similar services for its own use under the policies and procedures set forth in **OMB Circular No. A-76**, “Performance of Commercial Activities”, and subsequent changes thereto. In addition, in accordance with the policies set forth in OMB Circular No. A-76, the requesting entity **must** certify that such services cannot be procured reasonably and quickly through ordinary business channels.

D. Such services may not be offered if they require any staff additions or involve expenditures for additional equipment or other facilities solely for the purpose of providing such services, except when the costs of such services are charged to the user.

E. Such services **must** be provided only upon payment or arrangement for reimbursement to the DoD Component involved by the unit of government making the request. This includes salaries and all other identifiable direct and indirect costs of performing such services.

F. Technical information provided in accordance with this chapter may not be disseminated further to third party governmental entities or associations, unless expressly authorized by the originating DoD Component.

G. If a request for a service is denied, the DoD Component **must** furnish a statement to the entity making the request indicating the reasons for the denial.

***110204. Reporting Requirements**

The head of each Federal agency will furnish annually to the respective Committees of the Senate and the House of Representatives a summary report on the scope of the services provided under OMB Circular A-97. These reports will be prepared as of the end of each calendar year, and will indicate the nature of the services rendered, the names of the States and political subdivisions involved, and the cost of the work. Services provided under other authorities are not to be included in the reports.