

VOLUME 6A, CHAPTER 9: “ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE OF THE FAMILY HOUSING PROGRAM”

SUMMARY OF MAJOR CHANGES

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an * 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 March 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Made general improvements in flow and organization. Updated electronic links.	Update
0901	Changed sub-section titles – added Background and Purpose to “General” sub-section tiles.	Update

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CHAPTER 9

**ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE
OF THE FAMILY HOUSING PROGRAM**

0901 OVERVIEW

***090101. General**

This chapter provides accounting support for Family Housing Operation and Maintenance (O&M) requirements and prescribes an accounting structure that accumulates O&M costs consistent with guidance set forth in Volume 2B, Chapter 6 of this Regulation.

***090102. Background**

The Congress established the family housing O&M appropriation to separate the funding of family housing O&M from other O&M programs. All obligations incurred for O&M to support the military family housing program will be charged to the family housing O&M appropriation.

***090103. Purpose**

The purpose of the account structure is to provide uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. It is important that methods for computing costs for the family housing program are as uniform as practicable among the Department of Defense (DoD) Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Cost identification and computation methods specified herein should minimize the accounting effort and detail required to compute costs. Costs for operating and maintaining family housing facilities will be identified as prescribed in this chapter and will be the basis for reports referenced herein.

***090104. Scope**

This policy applies to all DoD Components that support military family housing under the Military Construction (MILCON) program. Programs administered under the Military Housing Privatization Initiative (MHPI) are not required to follow this policy; however, support costs, such as environmental assessments and consultant fees, and other administrative costs, funded by the family housing O&M appropriation, fall within the parameters of this policy.

0902 ACCOUNT STRUCTURE AND CONTENT

***090201. Accounts Used for Accumulating Costs**

A series of accounts **have been** established and maintained for accumulating family housing O&M costs and reimbursements incurred through the MILCON housing program. Costs and reimbursements **are computed and identified** to the accounts in accordance with the guidance

herein. The accumulated costs and reimbursements in the accounts **are used** to support budget exhibits and budget execution reports.

090202. **Required Summary and Subordinate Accounts**

The following is a list of required summary and subordinate accounts.

A. Operations Account

1. Management Account. This account accumulates costs of management, administrative, and support-type services at the installation level involving:

a. Administration costs for installation housing offices including management office personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. These costs also include administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing.

b. Costs for housing referral administration pertaining to private housing, including rental guarantee projects and the provision of referral services and assistance in locating and inspecting privately owned family housing for DoD personnel.

c. Requirements surveys and preliminary family housing studies or engineering construction plans made before Secretary of Defense project approval. This account also includes planning for improvement and rental guarantee projects and inspection of construction of rental guarantee housing.

d. Other identifiable management costs that directly support the family housing program.

2. Services Account. This account accumulates costs for authorized services.

a. Refuse Collection and Disposal. These services include collecting garbage, trash, ashes, debris, and refuse disposal for family housing, such as the operation and maintenance of incinerators, sanitary fills, and regulated dumps. These services also include acquisition, maintenance, and repair of garbage and trash containers, and operation of can-washing facilities.

b. Fire Protection. This service includes costs for protection and fire prevention efforts for family housing facilities.

c. Police Protection. This service includes the costs for law enforcement, traffic control, and protection of family housing facilities.

d. Entomological Services. These services include costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

e. Custodial Services. These services include costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

f. Snow Removal. This service includes the costs of removing, hauling, and disposing of snow; the cost of ice alleviation; and erection, maintenance, repairs, and removal of snow fences for family housing areas.

g. Street Cleaning. This service includes the costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

h. Municipal Type Services. These services include costs of miscellaneous municipal type services not identifiable to other listed accounts.

i. Other Services. The costs of all other authorized services for family housing fall into this category.

3. Furnishings Account. This account accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. This account also includes costs of controlling, handling, record keeping, and moving of Government-owned furnishings into and out of dwelling units; charges for connecting and disconnecting equipment; and handling costs incident to storage.

4. Miscellaneous Account. This account accumulates costs of operational items that do not fall into management, services, or furnishings accounts.

a. Lease, rents, and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA).

b. Reimbursement costs for dwellings provided by State, municipal, or foreign governments or by Federal agencies other than the FHA or VA.

c. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization (NATO) Status of Forces Agreement (SOFA) for local taxes on land and improvements of family housing property.

d. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units.

e. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces.

- f. Other miscellaneous operations costs not covered elsewhere.

B. Utility Operations Account. This is a summary account for accumulating costs for utilities consumed in family housing, including electricity, water, sewage, natural gas, fuel oil, or other heating fuels. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance of Real Property Facilities Account. Other costs reported as “Services” are excluded from the utility operations account.

C. Maintenance of Real Property Facilities Account

1. Dwellings Account. This account accumulates costs of maintenance and repair, including all interior utilities and installed equipment, of all family housing buildings in real property category codes 711, 712, and 714, as defined in [DoD Instruction 4165.3](#). Typically this involves:

- a. Service calls for minor work, including emergency and temporary repairs normally not in excess of 16 work hours.

- b. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently.

- c. Repairs and replacements for rehabilitations and replacement of major components and installed equipment.

- d. Interior and exterior painting and the necessary preparation.

- e. Contract cleaning between occupancy, where authorized.

2. Exterior Utilities Account. This account accumulates costs of maintenance and repair of electric, gas, water, sewage, and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common use main or terminates.

3. Other Real Property Account. This account accumulates costs for maintenance other than to dwellings and exterior utilities, including:

- a. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures; and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawnmowers used for grounds maintenance by occupants.

- b. Maintenance and repair of paved or stabilized streets, roads, walks, and driveways; utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances.

c. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, service facilities, and the costs of maintenance of trailer sites including outlets.

4. Alterations and Additions Account. This account accumulates costs for incidental additions, expansions, extensions, and alterations to existing real property. These costs include payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed nonpermanent change-of-station moves, and charges resulting from improvement or repair projects funded in part from the family housing construction account.

D. Leased Housing Account

1. Lease Cost – Foreign Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries.

2. Lease Cost – Foreign Account Government Rental Guarantee Program (GRGP). This account accumulates costs for charges and other payments specified in the lease agreement for housing in foreign GRGPs, e.g., Europe under the Army GRGP programs.

3. Lease Cost – Domestic Account. This account accumulates costs for charges and other payments specified in the lease agreement for housing in the United States, including U.S. possessions and territories.

4. Lease Cost – Section 2835 Account. This account accumulates costs for charges and other payments specified in the lease agreement for Section 2835 housing contracts for the lease of facilities on or near military installations, essentially a build-to-lease guarantee to a local property developer.

5. Rental Guarantee – Section 2836 Account. This account accumulates costs accounted for under rental guarantees for a minimal occupancy rate or rental income for Section 2836 housing. This program allows the DoD Components to enter into lease agreements guaranteeing tenants will occupy rental housing on or near installations.

6. Other O&M Cost. This series of accounts accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for foreign, GRGP, domestic, 2835, and 2836 housing. They include initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs, such as assignment, travel, and inspection by installation personnel. Reimbursements to the Department of State for foreign affairs administrative support costs are also included.

E. Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for service members' mortgage insurance premium payments pursuant to the National Housing Act. See Volume 2B, Chapter 6, paragraph 060202 of this Regulation for more guidance.

F. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with the requirements in Volume 6A, Chapter 7 of this Regulation.

G. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for O&M rental and service charges billed to occupants and for proceeds from handling or disposing of excess housing property. Reimbursements for Foreign Military Sales (FMS) funded and Non-Foreign Military Sales (Non-FMS) funded accounts will be separately identified.

1. FMS Funded Account. This account accumulates all reimbursements from FMS-funded activities or sources. The amounts will be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

2. Non-FMS Funded Account. This account accumulates reimbursements from other than FMS-funded activities or sources. The amounts will be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

H. Housing Privatization Support Cost Account. This account is used for accumulating the costs that the government incurs in direct support of the family housing privatization program with the exception of those costs that will be included as part of the privatization project. These costs are associated with military housing privatization and specifically for:

1. Site assessment costs, including environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required to be accomplished by the government prior to privatization for environmental mitigation, site surveys, or real estate costs.

2. Project costs, including project feasibility studies, concept development, consultant fees, solicitation, procurement, contracting, execution, transition, construction management, post-award management and monitoring, and portfolio management.

3. Administrative costs, including civilian pay, travel, training, supplies, equipment, and services provided by a Defense agency in support of the privatization program.

0903 COST IDENTIFICATION PROCEDURES

090301. [Obligations Incurred](#)

DoD Components will identify the obligations incurred, both in-house and by contract, to operate and maintain family housing programs.

090302. [Identifiable and Measurable Costs](#)

Costs will be charged to the applicable family housing account to the extent they are reasonably identifiable and measurable to the housing program. This practice does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

090303. [Obligations for Administrative Costs](#)

Obligations incurred for administrative support and supervision efforts will be limited to those incurred at installation level and will not include those which may be incurred at echelons of command above the installation. An exception is made when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

090304. [Criteria for Support Costs](#)

Other efforts, goods, or services that are provided to family housing and other programs will be assigned to appropriate family housing accounts based on relative workload, benefit, or other measurement. The following general criteria will be used in assigning support costs to the family housing program:

A. When the support provided is predominantly personnel-intensive, costs should be allocated based on a pro-rata basis of workload. This would include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas.

B. When the support provided has a mix of personnel, equipment, materials, or supplies, costs should be allocated based on workload (e.g., printing or reproduction services or computer support involving a mix of resources). The proportion of workload for the family housing program to the total workload would be used to compute the portion of the total costs identified to the family housing program.

C. When the support provided predominantly involves specific goods or services (e.g., electricity, gas, water, or sewer), costs should be allocated based on the relative amount consumed or quantity used.

090305. [General or Flag Officers Costs](#)

When a set of quarters is intended for or occupied by officers of General or Flag rank, the costs accumulated for the operation and maintenance of each set of quarters will be identified

within the accounts specified in this chapter, and reported in accordance with the requirements prescribed by the Deputy Under Secretary of Defense (Acquisition, Technology & Logistics).

090306. [Costs Identified to the Family Housing Program](#)

When identifying O&M costs to the program, the general premise is that all applicable costs will be assigned. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant and it is not cost effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

090307. [Installation Managers Responsibility](#)

Installation management officials, such as the installation commander, public works officer, housing director, or comptroller, are responsible for identifying the O&M costs for the family housing program, whether funded by family housing O&M or other appropriations. Installation managers will periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. The basis of allocating such costs to the program will be reset when variances occur in efforts, workload, or other resources consumed. Management will also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

0904 COST ELEMENTS AND COMPUTATION OF CHARGES

090401. [Full Absorption Basis](#)

Costs charged to the program will be in proportion to the efforts used, goods consumed, or services received by the family housing program. Dedicated efforts or responsibilities for the program will be fully charged. For example, total costs for full-time management and staff will be charged to the family housing program. All costs of providing program support will be computed and expensed to the program on a full absorption basis, i.e., full cost for dedicated support and pro rata cost for other support.

A. Defense Working Capital Fund (DWCF) real property maintenance activities, which have a primary mission of facility maintenance, will apply the normal business fund overhead rates to family housing support.

B. Other funded real property maintenance activities with established shop or productive expense rates will apply the applicable rate to direct work or service in support of family housing.

090402. [Labor Costs](#)

The labor effort of military or civilian personnel assigned and identified to family housing will be computed for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A, Chapter 1 of this Regulation. Personnel efforts will be reviewed and

validated annually to support a charge to family housing. Military labor will be accumulated and classified as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090403. **Material and Supplies Costs**

The costs for material and supplies will be computed based upon the relative amount consumed or the quantity used. Material and supplies will be computed at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090404. **Costs of Services**

Services such as refuse collection and disposal, as well as entomological and custodial activities, are provided by government forces or contractors and will be computed and charged when received. The full cost of these services will be borne by family housing when family housing is the sole customer. Partial cost will be charged to family housing when the family housing portion of such services is readily separable and distinct. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, costs charged to family housing will be based on the proportionate amount of service received on a unit of service basis, such as number of refuse pickups or square feet of floor area receiving custodial service.

090405. **Utility Costs**

Utility costs will be computed based upon consumption. DWCF funded activities providing utilities will compute the charges consistent with their normal procedures. All other activities will compute the charge to family housing at the rate the utility is purchased from the supplier. If not metered, then consumption should be based on documented engineering estimates.

090406. **Equipment Usage Costs**

Equipment usage costs for rented property will be computed at the lease or rental rate. Cost computation is limited in the case of Government-owned equipment to the expenses of operating and maintaining the equipment and charges for the operator's time when provided by other than family housing. Neither acquisition costs nor periodic depreciation charges will be computed.

090407. **Unfunded Costs**

Military labor and headquarters costs, included in construction agent administrative support and supervision effort above the installation level, will be treated as unfunded costs in computing family housing O&M costs.

0905 REIMBURSEMENTS

090501. [FMS-funded and Non-FMS Funded Accounts](#)

FMS-funded and non-FMS funded accounts will be used to accumulate reimbursements for charges initially financed by the O&M appropriation for the family housing program or proceeds from handling or disposing of family housing property. All reimbursements will be recorded in the family housing reimbursement accounts.

090502. [Reimbursements](#)

Ordinarily, reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections may be refunds that include the costs of repairing damages and replacement of items to family housing facilities.

090503. [Reimbursements for Recovery of Expenses](#)

Reimbursements may involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections may be used for various purposes, such as defraying O&M expenses or the payment of debt. Policy guidance governing such collections, use, and reporting is provided in Volume 2B, Chapter 6 of this Regulation.

0906 INTERNAL CONTROL

Management will develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property.

0907 REPORTING

090701. [Responsibility of DoD Components](#)

DoD Components responsible for operating and maintaining family housing facilities are required to prepare the reports described in this chapter. Housing programs administered under MHPI are not required to prepare these reports.

090702. [Reports](#)

Data derived from the uniform account structure established and maintained consistent with this chapter will be used by DoD Components when preparing and submitting the following reports:

A. Appropriation Status by Fiscal Year Program and Subaccounts Report (Acct. Rpt (M) 1002). DoD Components will prepare and distribute the report in accordance with the guidance contained in Chapter 4 of this volume.

B. Report on Budget Execution and Budgetary Resources, SF-133. DoD Components will prepare and distribute the monthly report for the annual portion of the O&M category of the family housing appropriation in accordance with the guidance prescribed in Chapter 4 of this volume.

090703. Service/DFAS and Intermediate/Installation Level Report Requirements

Reporting requirements for family housing reports at the center/service and intermediate/installation level are addressed in manuals and instructions published by the individual Services or DFAS central accounting activities.