

**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 [April 2011](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
090103	Added “Authoritative Guidance” section.	Addition
0902 & 090301	Deleted Military Construction language since the chapter applies to Operation and Maintenance (O&M) appropriations.	Deletion
0902	Clarified the organizations required to follow the reporting requirements identified in this chapter.	Revision
090302	Updated the reporting requirements and descriptions for the summary and subordinate accounts used for accumulating Family Housing O&M costs.	Revision
090302.C.1	Included reference to the Department of Defense (DoD) Real Property Classification System produced by the Office of the Deputy Under Secretary of Defense for Installations and Environment.	Addition
090801	Clarified the reporting responsibilities for DoD Components.	Revision

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## CHAPTER 9

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

## 0901 GENERAL

090101. [Overview](#)

This chapter provides accounting support for Family Housing Operation and Maintenance (O&M) requirements and prescribes an accounting structure that accumulates [Family Housing O&M costs](#) consistent with guidance set forth in Volume 2B, Chapter 6. The Congress established the [Family Housing O&M appropriation](#) to separate the funding of [Family Housing O&M](#) from other O&M programs. [Charge all obligations](#) incurred for O&M to support the military [Family Housing Program](#) to the [Family Housing O&M appropriation](#).

## 090102. 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 must be identified as prescribed in this chapter and are the basis for reports referenced herein.

\*090103. [Authoritative Guidance](#)

The policies prescribed throughout this chapter pertaining to the accounting and reporting for O&M costs of the [Family Housing Program](#), are based upon the laws and regulations cited herein.

## \*0902 SCOPE

This policy applies to all DoD Components that support military family housing under the [Family Housing Program](#). [Military Departments' Housing Privatization support costs](#) associated with the [Military Housing Privatization Initiative \(MHPI\)](#) Program, such as assessments/studies, portfolio, program, and asset management, construction oversight, consultant fees, and other administrative costs, are funded by the [Family Housing O&M appropriation](#) and fall within the parameters of this policy. The Office of the Deputy Under Secretary of Defense for Installations and Environment (ODUSD(I&E)) and Defense Finance and Accounting Service (DFAS) [MHPI Program](#) administrative support costs are separately budgeted, accounted for, and reported in the [Defense-wide Family Housing Improvement Fund \(FHIF\) Program](#) account.

## 0903 ACCOUNT STRUCTURE AND CONTENT

## \*090301. Accounts Used for Accumulating Costs

A series of accounts has been established and maintained for accumulating Family Housing O&M costs incurred and reimbursements earned through the Family Housing Program. Compute and identify costs and reimbursements to the accounts in accordance with the guidance herein. Use the accumulated costs and reimbursements in the accounts to support budget exhibits and budget execution reports.

## \*090302. 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 administering and providing housing referral services and assistance in locating and inspecting privately owned family housing for DoD personnel;

c. Requirements surveys and preliminary studies, including Family Housing market analyses, condition assessments, survey requirements for construction plans, and concept development. This account also includes community liaison and planning for improvement and rental guarantee projects and inspection; and

d. Other identifiable management costs that directly support the Family Housing Program.

2. Services Account. This account accumulates costs for authorized services for government-owned family housing units. For privatized housing, the developers are financially responsible for the reimbursement or payment of services provided.

a. Refuse Collection and Disposal. These services include collecting garbage, trash, ashes, debris, and refuse disposal for family housing, such as the O&M 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; and

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. Also included are furnishings for Special Command Positions and Senior Leadership as prescribed in DoD Manual 4165.63-M, "DoD Housing Management".

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 United States (U.S.) Department of Veterans Affairs (VA);

b. Reimbursement costs for dwellings provided by State (e.g., International Cooperative Administrative Support Services), municipal, or foreign governments, or by Federal agencies other than the FHA or VA. This includes payments from the Military Departments to the U.S. Coast Guard for family housing provided to their military personnel;

c. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization Status of Forces Agreement 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; and

f. Other miscellaneous operations costs not covered elsewhere.

B. Utility 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 Account. Exclude other costs reported as “Services” from the utility operations account.

C. Maintenance 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 [4165.03](#) “DoD Real Property Categorization”, which establishes the [DoD Real Property Classification System](#). Typically, accumulating costs for this account involve:

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; and

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; and

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. Leasing 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 under Title 10, United States Code (U.S.C.), section 2828.

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 U.S., including U.S. possessions and territories, as specified in 10 U.S.C. § 2828.

4. Lease Cost – Section 2835 Account. This account accumulates costs for charges and other payments specified in the lease agreement for 10 U.S.C. § 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 [10 U.S.C. § 2836](#) housing. This program allows the DoD Components to enter into lease agreements guaranteeing that tenants 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, and [10 U.S.C. § 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 [12 U.S.C. § 1701](#), also referred to as the "National Housing Act." See Volume 2B, Chapter 6 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 Chapter 7.

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

1. FMS-Funded Account. This account accumulates all reimbursements from FMS-funded activities or sources. [Identify](#) the amounts 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. [Identify](#) the amounts 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 Account. [Use](#) this account for accumulating costs the government incurs in direct support of the MHPI program with the exception of the costs included as part of the privatization project. These costs are associated [with the support of the MHPI program and specifically for:](#)

1. Site assessment costs, including environmental baseline assessments, environmental assessments, environmental impact statements, and any efforts required [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; and

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

#### 0904 COST IDENTIFICATION PROCEDURES

##### 090401. Obligations Incurred

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

##### 090402. Identifiable and Measurable Costs

Charge costs 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.

##### 090403. Obligations for Administrative Costs

Limit obligations incurred for administrative support and supervision efforts to those incurred at installation level and do not include those 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.

##### 090404. Criteria for Support Costs

**Assign** other efforts, goods, or services **provided** to family housing **programs** to appropriate family housing accounts based on relative workload, benefit, or other measurement. **Use** the following general criteria in assigning support costs to the **Family Housing Program**:

A. When the support provided is predominantly personnel-intensive, costs **must** be allocated based on a pro rata basis of workload **or actual costs, whenever possible**. 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, **allocate** costs based on workload (e.g., printing or reproduction services or computer support involving a mix of resources) **or actual costs, whenever possible**. **Use** the proportion of workload for the **Family Housing Program** to the total workload to compute the portion of the total costs identified to the **Family Housing Program**; and

C. When the support provided predominantly involves specific goods or services (e.g., electricity, gas, water, or sewer), allocate costs based on the relative amount consumed or quantity used **or actual costs, whenever possible.**

090405. General or Flag Officers Costs

When a set of quarters is intended for or occupied by officers of General or Flag rank, **identify** the costs accumulated for the **O&M** of each set of quarters within the accounts specified in this chapter, and reported in accordance with the requirements prescribed by the **ODUSD (Acquisition, Technology & Logistics)**.

090406. Costs Identified to the Family Housing Program

When identifying **Family Housing** O&M costs to the program, the general premise is to assign all applicable costs. 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.

090407. 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 **must** periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. When variances occur in efforts, workload, or other resources consumed, reset the basis of allocating such costs to the program. Management **must** also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

## 0905 COST ELEMENTS AND COMPUTATION OF CHARGES

090501. Full Absorption Basis

Charge costs to the program in proportion to the **actual** efforts used, goods consumed, or services received by the **Family Housing Program**. Fully charge dedicated efforts or responsibilities for the program. For example, charge total costs for full-time management and staff to the **Family Housing Program**. **Compute and expense** all costs of providing program support to the program on a full absorption basis, i.e., full cost for dedicated support and pro rata cost for other support.

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

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

090502. Labor Costs

**Compute** the labor effort of military or civilian personnel assigned and identified to family housing for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A, Chapter 1. **Review and validate** personnel efforts annually to support charges to family housing. **Accumulate and classify** military labor as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090503. Material and Supplies Costs

**Compute** costs for material and supplies based upon the relative **or actual** amount consumed, or the quantity used. Compute material and supplies at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090504. Costs of Services

Compute and charge upon receipt services provided by government forces or contractors, such as refuse collection and disposal, entomological, and custodial activities. Family housing must bear the full cost of these services when it is the sole customer. **Charge a** partial cost 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, charge costs to family housing 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.

090505. Utility Costs

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

090506. Equipment Usage Costs

**Compute** equipment usage costs for rented property at the lease or rental rate. **Limit** cost computation 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. Do not compute acquisition costs or periodic depreciation charges.

## 090507. Unfunded Costs

Treat military labor and headquarters costs, included in construction agent administrative support and supervision effort above the installation level, as unfunded costs in computing Family Housing O&M costs.

## 0906 REIMBURSEMENTS

## 090601. Foreign Military Sales (FMS)-Funded and Non-FMS-Funded Accounts

Use FMS-funded and non-FMS-funded accounts to accumulate reimbursements for charges initially financed by the Family Housing O&M appropriation for the Family Housing Program or proceeds from handling or disposing of family housing property. Record all reimbursements in the family housing reimbursement accounts.

## 090602. Reimbursements

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

## 090603. Reimbursements for Recovery of Expenses

Reimbursements 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 are used for various purposes, such as defraying O&M expenses or the payment of debt. Volume 2B, Chapter 6 provides policy guidance governing such collections, use, and reporting.

## 0907 INTERNAL CONTROL

Management must 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.

## 0908 REPORTING

## \*090801. Responsibility of DoD Components

The DoD Components responsible for operating and maintaining family housing facilities are required to prepare the reports described in this chapter. Administrators of Housing programs under MHPI are required to prepare these reports for the FHIF and Unaccompanied Housing Improvement Fund program accounts. The FHIF Financing accounts, however, require only the Standard Form (SF)-133, Report on Budget Execution and Budgetary Resources.

## 090802. Reports

Data derived from the uniform account structure [identified in](#) this chapter [must be used](#) when preparing and submitting the following reports:

A. [Appropriation Status by Fiscal Year Program and Subaccounts Report \(Accounting Report \(Monthly\) 1002\)](#). The DoD Components [must](#) prepare and distribute the report in accordance with the guidance contained in Chapter 4; [and](#)

B. [SF-133](#). The DoD Components [must](#) prepare and distribute the monthly report for the annual portion of the [Family Housing](#) O&M category of the family housing appropriation in accordance with the guidance prescribed in Chapter 4.

090803. [Military Departments/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.