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CNICINST 7300.1

N8

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CNIC INSTRUCTION 7300.1

From: Commander, Navy Installations Command

Subj: FISCAL ACCOUNTABILITY FOR RECYCLING REVENUES

Ref: (a) 10 USC 2577
(b) DoD Financial Management Regulation 7000.14-R
(c) DoDI 4715.4 of 6 Jul 98
(d) 10 USC 2492

Encl: (1) Procedures for Fiscal Accountability of Recycling Funds

1. Purpose. To provide guidance and procedures for collection and disbursement of funds generated through Navy Qualified Recycling Programs (QRP).

2. Background. A QRP is an organized operation to divert or recover scrap or waste, as well as efforts to identify, segregate, and maintain the integrity of the recyclable materials in order to maintain or enhance their marketability. QRPs are the only recycling activities allowed to keep proceeds from recycling. A QRP includes adherence to a control process, providing accountability for all materials processed through program operations, including collections and disbursements.

3. Policy

a. Military Departments, the Directors of the Defense Agencies and the Directors of Department of Defense (DoD) Field Activities shall ensure that distribution of recycling proceeds is consistent with the legal provisions of 10 USC 2577 (reference (a)), as implemented by reference (b), Volume 11 Chapter 5, and (c); specifically:

(1) Sale proceeds shall first be used to cover the costs directly attributable to all installation QRPs, including but not limited to, manpower, facilities, equipment, overhead, and other capital investments. The determination of the labor and other job orders that meet the criteria of directly attributable

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costs will be made by the CNIC Regional Financial Manager. In accordance with General Accountability Office (GAO) rulings, supplies purchased with these appropriated funds can include promotional items, which have no real intrinsic value or use other than to convey a message promoting the recycling program.

(2) After the costs of the QRP are recovered, Installation Commanding Officers (COs) may use up to 50 percent of the remaining proceeds for pollution abatement, pollution prevention, composting and alternative fueled vehicle infrastructure support and vehicle conversion, energy conservation, or occupational safety and health projects, with first consideration given to projects included in the installation's pollution prevention plan.

(3) Any remaining proceeds may be transferred to the non-appropriated Morale, Welfare and Recreation (MWR) Line of Accounting (LOA) for any approved program, which includes but is not limited to installation Single Sailor/Liberty programs, gym, fitness, athletic and Fleet Recreation programs.

(4) If the balance available to a military installation at the end of any fiscal year is in excess of \$2 million, the amount of that excess shall be deposited into the Treasury as miscellaneous receipts.

b. If a QRP is fully operated under the Non-Appropriated Fund Instrumentality (NAFI) funding source and this service is beneficial to the efficient management and operation of the MWR system, the region should establish a Memorandum of Agreement (MOA) with the MWR NAFI in order to properly reimburse those operating expenses for recycling through appropriated funds, in accordance with reference (d).

c. Receipts collected from QRPs will be accounted for using the procedures outlined in enclosure (1).

4. Responsibilities

a. CNIC HQ Comptroller (N8) is responsible for:

(1) Providing overall policy for QRP accounting and ensuring compliance with applicable laws and regulations throughout the enterprise.

(2) Working with Facilities and Environmental (N4) to establish and maintain an audit program under which each QRP

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will be audited every three years to ensure compliance with applicable financial rules and regulations.

b. CNIC HQ N4 is responsible for working with N8 to establish and maintain an audit program under which each QRP will be audited every three years to ensure compliance with applicable financial rules and regulations.

c. Region Commanders are responsible for:

(1) Ensuring distribution of recycling proceeds is consistent with the legal provisions of reference (a).

(2) Establishing a MOA with NAFI where appropriate.

d. CNIC Region Financial Managers are responsible for:

(1) Determining the labor and other job orders that meet the criteria of being directly attributable to installation QRPs.

(2) Ensuring authorizations and collections are reconciled in the Standardized Accounting and Reporting System - Field Level (STARS-FL).

e. CNIC Region QRP Managers are responsible for maintaining detailed income and operating expenses for the QRP, clearly defining all operating expenses and separately identifying costs into categories of NAFI and Appropriated Fund operating expenses.

5. Action

a. CNIC HQ N8 will:

(1) Ensure the funds in excess of \$2 million at the end of any fiscal year get deposited into the Treasury as miscellaneous receipts by notifying the Office of the Assistant Secretary of the Navy (Financial Management and Budget) and Defense Finance and Accounting Services of the excess amount.

(2) Add manually any lines of accounting (LOAs) that do not roll to the new fiscal year automatically at the end of the year.

(3) Conduct a triennial audit program of each QRP for compliance with financial laws and regulations.

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b. CNIC HQ N4 will conduct a triennial audit program of each QRP for compliance with operational laws and regulations.

c. CNIC Region Financial Managers will:

(1) Request credits and transfer of funds received for QRPs.

(2) Provide a monthly report on current QRP account balances to the QRP Program Manager for reconciliation with the official accounting system (STARS-FL).

(3) Establish official accounting records for recycling proceeds in STARS-FL using Command Financial Management System (CFMS).

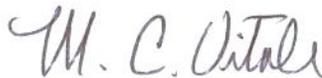
(4) Notify CNIC N8 Accounting at the end of the fiscal year the amount of any excess balance over \$2 million.

(5) Roll forward unexpended funds remaining at fiscal year end.

(6) Inform CNIC N8 Accounting Office of any LOAs that do not roll forward automatically at the end of the fiscal year.

d. CNIC Region QRP Managers will provide an operating expense report for the preceding three months to the Regional Financial Managers each month following the close of a quarter.

6. Forms and Reports. Forms associated with the procedures for fiscal accountability for recycling revenues are listed in sections 4(a) - 4(c) of enclosure (1).



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PROCEDURES FOR FISCAL ACCOUNTABILITY OF RECYCLING FUNDS

1. Accounting Procedures for Recycling

a. Funds should be directly collected into appropriated funds under the appropriate reimbursable Line of Accounting (LOA) and executed in compliance with appropriated fund procurement and disbursement regulations.

b. All proceeds received from recycled material will be received as a collection into the appropriate Operations and Maintenance, Navy (OM&N) LOA. This should be the LOA that funds the operations of the installation. The activity receiving the collection will prepare a Cash Collection Voucher (DD Form 1131), citing the appropriate LOA and using a transaction type code of "3C". A copy should be forwarded to the CNIC Regional Financial Manager or their designated cash collection agent for processing in Standardized Accounting and Reporting System - Field Level (STARS-FL).

(1) Example LOA:

1791804 52FA 252 00052 0 68732 3C 000000 002049RPRCY

(2) A Work Estimate (WE) document should be prepared. The collection document should be set up as follows:

(a) Example Document Number: N0005210WERLRCY

Activity UIC (ex. N00052)

Fiscal Year (ex. 10)

Document Type: (WE for Work Estimate)

Document Number: R = Reimbursable

L = Regional Designator

RCY = Indicates Recycling

c. When the Cash Collection Voucher has been generated and forwarded to Defense Finance and Accounting Services (DFAS) for processing in STARS-FL, the funds collected will be cited as the authorized amount and available for execution to the operating program. CNIC will use Execution Code 121D to reflect the collected funds as a reimbursable authorization increase in STARS-FL.

d. Regional Financial Managers will establish official accounting records for recycling proceeds in STARS-FL using Claimant Financial Management System (CFMS) and using Cost Account Code 9231 for QRP. Hourly CMFS will automatically check to see if approved files are available for transfer to STARS-FL.

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Using the secure file transfer protocol process, CFMS sends files to a secure file gate which automatically transfers to STARS-FL.

e. The construction of the Job Order Number (JON) will follow the format in table 1 below. Regional designators are listed in table 2 below. All collections and disbursements for the applicable activity will be processed against the established JON.

RECYCLING JOB ORDER NUMBER STRUCTURE

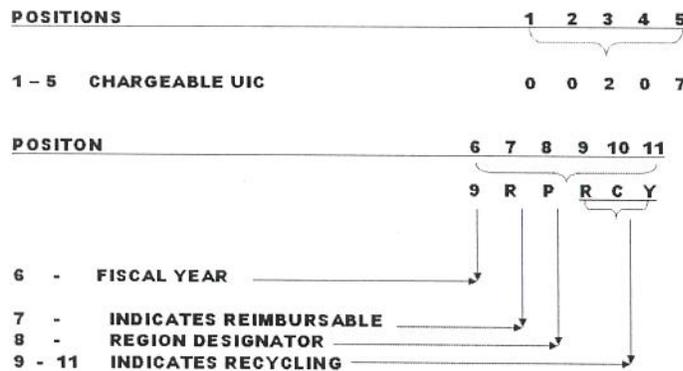


Table 1

REGIONAL DESIGNATORS

DESIGNATOR	UIC	REGION
B	61128	CNR GUAM
C	61449	CNR HAWAII
D	61463	CNRMA
H	68742	CNRNW
L	00171	CNR NDW
M	00242	CNR EURAFSWA
N	0349B	CNRSE
P	09697	CNRMW
R	61040	CNRMW
T	61075	CNR KOREA
U	61076	CNR JAPAN
V	61077	CNR SINGAPORE
W	00052	CNIC HQ

Table 2

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f. Operating costs must be executed against the reimbursable JON in compliance with appropriated fund execution regulations.

g. Operating costs against non-reimbursable JONs shall either be cost transferred locally or adjusted against the recycling JON's through the SF 1081 Voucher and Schedule of Withdrawals and Credits. Use of the SF 1081 would require an adjustment to be requested by CNIC and forwarded to DFAS for processing.

h. Authorizations and Collections should match in STARS-FL. Funds should not be executed in excess of authorizations, obligations or collections reflected within the official accounting records.

2. End of the Fiscal Year Guidance

a. At the end of the fiscal year, any balance available to a military installation in excess of \$2 million shall be deposited into the Treasury as miscellaneous receipts. CNIC Regional Financial Managers will notify CNIC N8 Accounting of the amount of the excess. CNIC N8 Accounting will ensure the funds get deposited into the Treasury as miscellaneous receipts by notifying Assistant Secretary of the Navy (Financial Management and Comptroller, requesting an SF 1081 and forwarding it to DFAS for the excess amount. CNIC Regional Financial Managers will monitor these deposits by checking STARS-FL or thru their DFAS point of contact.

b. Collections remaining at the end of the fiscal year will remain available for use in subsequent fiscal years and will retain their original fiscal year identity. For accounting purposes, reimbursable JONs will be established in the next fiscal year in STARS-FL to maintain availability. If a reimbursable JON was not used for the entire year, it will not roll automatically. The Regional Financial Manager should inform the CNIC Headquarters Accounting Office of any LOAs that fall out and do not roll automatically and the CNIC Headquarters Accounting Office will add those manually.

3. Procedures for Transfer of Proceeds to Non-appropriated Morale, Welfare and Recreation Programs

a. Funds will be transferred using a Public Voucher for Purchases and Services Other Than Personal (SF 1034). SF 1034 must be accompanied by a clear connection between previous

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collections made and the payment to be made (i.e. a CHOOSE history).

b. This history may be pulled by DFAS, but the payment will not be made without it. The SF 1034 must be signed by the submitting CNIC activity in the "Title" box, not the certifying officer.

4. Forms and Reports

a. DD 1131 Cash Collection Voucher may be obtained online at:

<http://www.dtic.mil/whs/directives/infomgt/forms/forminfo/forminfo319.html>. DD 1131 will be submitted as directed in section 1(b) above.

b. The SF 1081 Voucher and Schedule of Withdrawals and Credits may be obtained online at:

<http://www.gsa.gov/portal/forms/download/8039D480C09656BC85256A3F0041FB76>. SF 1081 will be submitted as directed in section 1(g) above.

c. SF 1034 Public Voucher for Purchases and Services Other Than Personal may be obtained online at:

<http://www.gsa.gov/portal/forms/download/57675C8BB6CE880B85256A3F004125BD>. SF 1081 will be submitted as directed in section 3 above.