



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND
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IN REPLY REFER TO

NAVSEAINST 7303.3C
Ser 01P/236
9 Jan 98

NAVSEA INSTRUCTION 7303.3C

From: Commander, Naval Sea Systems Command

Subj: FINANCING OF KEEL LAYING, LAUNCHING, COMMISSIONING, AND
CHANGE OF COMMAND CEREMONY EXPENSES

Ref: (a) Department of the Navy Financial Management Policy (R)
Manual, par. 075373
(b) SECNAVINST 7042.7H (R)

Encl: (1) Financing Policy and Procedures for Keel Laying,
Launching and Commissioning Ceremony Expenses for
Ships Newly Constructed or Converted Under the
Appropriation Shipbuilding and Conversion, Navy

(2) Financial Guideline for Change of Command Ceremonies

1. Purpose. To update policy and procedures with respect to the financing of keel laying, launching and commissioning ceremony expenses for ships newly constructed or converted under the appropriation Shipbuilding and Conversion, Navy, as well as for change of command ceremonies.

2. Cancellation. NAVSEAINST 7303.3B of 15 February 1989.

3. Discussion. Reference (a) defines the costs of commissioning ceremonies and by implication, launching and keel laying ceremonies, as investment items. Therefore, permissible costs as defined in enclosure (1) for all keel laying, launching and commissioning ceremonies for newly constructed or converted ships will be funded by the building activity as a part of the construction cost of the ship. The Shipbuilding and Conversion, Navy appropriation (SCN) bears these costs, and expenditures should be limited to the minimum necessary to carry out a ceremony while avoiding any appearance of extravagance. NAVSEA strongly encourages the concept of fiscal prudence so that those ceremonies do not appear to be extravagant to the public. Enclosure (2) promulgates guidance for financing change of command ceremonies costs.

4. Action. Addressees shall ensure that funds for keel laying, launching and commissioning ceremonies are administered in accordance with the provisions of enclosure (1) and that change of command ceremonies are funded in accordance with the provisions of enclosure (2).

V. H. ACKLEY
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COMPTROLLER

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FINANCING POLICY AND PROCEDURES FOR KEEL LAYING, LAUNCHING AND
COMMISSIONING CEREMONY EXPENSES FOR SHIPS NEWLY
CONSTRUCTED OR CONVERTED UNDER THE APPROPRIATION SHIPBUILDING
AND CONVERSION, NAVY

1. Keel Laying Ceremonies. Expenses of significant keel laying ceremonies, which will be borne by the shipbuilder as part of the construction cost of the ship, will be authorized for special consideration. For example, it is appropriate to have keel laying ceremonies for the first ship of a new class or when a keel laying event can be combined with the launching and christening ceremony of another ship. Allowable expenses will include the cost of music, local transportation, flowers, printed invitations and programs, a minimum size platform built as simply as possible and large enough to accommodate the speakers and guests, modest decoration of the platform with bunting, and a speaker's shelter for rainy weather, if necessary. **No entertainment expenses**, such as personal expenses of the speaker and guest, engraved invitations, luncheons, dinners, or gift for the speaker, will be charged either directly or indirectly to shipbuilding funds, or to any Navy appropriation.

2. Launching Ceremonies. Allowable expenses of ceremonies as outlined in paragraph 1 above, including the cost of one bottle of christening champagne, will be borne by the shipbuilder as part of the construction, cost of the ship for launching ceremonies. In addition, travel expenses of sponsors authorized in accordance with the Joint Travel Regulations, Volume 2, are allowable. The cognizant Supervisor of Shipbuilding, Conversion, and Repair will prepare Invitational Travel Orders to the sponsor citing appropriate SCN funds. However, there is no authority to pay the travel expenses of the children of sponsors because they travel voluntarily and do not perform an official function. Travel expenses of sponsors will be included as part of the construction cost of the ship. When, due to the physical condition of the sponsor an attendant (or attendants) is required, reimbursement for his/her expenses from Official Representation Funds can be requested; see paragraph 7 of reference (b) for details on the procedures to be followed. In the case of contracts at private shipyards, sponsors' travel expenses which are to be reimbursed directly to the sponsors by the Navy will be from the SCN appropriation. In those instances where the christening ceremony is separate from the launching ceremony, the provisions of this paragraph pertaining to launching ceremonies are also applicable to christening ceremonies.

3. Commissioning Ceremonies. The Ship Acquisition Project Manager (SHAPM) will fund costs of commissioning ceremonies as part of the end cost of the ship. The following commissioning ceremony costs are properly funded by the SCN appropriation:

a. Costs of a first commissioning ceremony including music, local transportation, flowers, decorations, printed invitations and programs, and the cost of work and services necessary to commission the ship, such as assembly and disassembly of the speakers' platform, seating arrangements, the public address system, and related items, but these expenses will be kept to a minimum.

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b. Invitational travel orders issued as authorized in Joint Travel Regulations, Volume 2, to fund the travel expenses of the speaker, sponsor, or anyone else who performs an official function in connection with a commissioning.

4. Costs not Chargeable to Commissioning Funds. The following costs may not be funded by SCN commissioning funds or any other appropriated funds unless noted:

R) a. Entertainment expenses, engraved invitations, luncheons, dinners, gifts, etc.; however, if warranted by the commissioning ceremony, official representation funds may be requested from the SECNAV, CNO, or CMC for a commissioning reception under circumstances as authorized by the current series of SECNAVINST 7042.7H, reference (b).

b. No luncheons, dinners, or food of any kind.

c. Various non-standard supplies comparable with, but not listed on, the ship's allowance list such as tablecloths, bread trays, and silver bowls; souvenir or gift items such as oil paintings, cigarette lighters, pens, pencils, ash trays, and napkins embossed with the ship's name, profile or both.

R) 5. Procedures for Establishment of Commissioning Funds. The activity which, is responsible for the commissioning ceremony will submit a request for commissioning funds to the cognizant Ship Acquisition Project Manager (SHAPM) three to six months prior to the anticipated commissioning date. Commissioning funds will be granted in a Project Directive or an Order for Work and Services. The accounting data will indicate Major Cost Category code (MCC) 800 to identify the purpose of those funds. The activity for the commissioning ceremony must consider only essential, costs in estimating the amount of funds required. The SHAPM will scrutinize the proposed costs carefully, comparing the costs with previous commissioning ceremonies and keeping the costs to a minimum. If an increase is required, a detailed justification shall be furnished to the SHAPM.

6. Period of Availability of Commissioning Funds. Commissioning funds will be available for obligation from the date of issue until the date the ship is commissioned. At the end of the month following the commissioning date all unobligated funds must be returned to the Naval Sea Systems Command. However, a small percentage may be retained for potential price variances or unliquidated obligations.

FINANCIAL GUIDELINES FOR A CHANGE OF COMMAND CEREMONIES

1. Change of command ceremony at non-industrial activities must be financed out of the Expense Operating Budget funds (either O&M,N or RDT&EN, as applicable); at Navy Working Capital Fund (NWCF) activities, these costs are funded from Base Operating Support (BOS) funds. (R)
2. It is of the utmost importance that Commanding Officers/Commanders administer the change of command in a prudent manner to avoid any appearance of extravagance or waste of government funds. Thus, only those costs which are essential to the ceremony are appropriate for funding. The costs normally considered appropriate for government funding are listed below:
 - a. Rental or construction of speaker platform, including canopy and bunting, assembly and disassembly
 - b. Seating
 - c. Public address system
 - d. Printed invitations
 - e. Printing of programs/agenda
 - f. Decorations at ceremony site
 - g. Local on-station transportation of participants and/or guests
 - h. Restoration of facilities to pre-ceremony conditions
 - i. Photographer (All possible efforts should be made to obtain a military photographer, since use of a commercial photographer could appear to be an extravagant use of government funds.)
3. If it is desired to present a command plaque or token gift to a non-Navy guest of honor (speaker), Official Representation funds may be requested in accord with provisions of reference (b). Otherwise, appropriated funds may not be used to procure gift items.
4. Refreshments may not be provided at government expense. In accordance with the General Accounting Office Principles of Appropriation Law (Page 4-84), appropriated funds are generally not available to pay for food for government employees at their official duty stations. (R)
5. Under certain circumstances, NWCF activities may use BOS Funds and non-NWCF activities may use EOB funds to pay for music at a change of command ceremony. Navy Band units are funded by an Operating Target (OPTAR) issued from the Naval Military Personnel Command (NMPC). However, incremental costs associated with services/performances provided by Band units for activities outside the Band unit's local host command's geographic boundary will be financed by the requesting activity's operating funds (or BOS for NWCF activities), if funds are not available in the OPTAR for such service. Care should be taken when requesting services of a band from outside the local area to ensure that extravagant use of Government funds is avoided, both in appearance and reality. (R)
6. Changes of command costs not addressed above shall require advance NAVSEA (01P or 015) approval for designation of the appropriate source of funds.