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CNIC INSTRUCTION 11103.7A

From: Commander, Navy Installations Command

Subj: NAVY HOUSING ROLES AND RESPONSIBILITIES FOR PROGRAM
MANAGEMENT AND FINANCE

Ref: (a) OPNAVINST 5009.1
(b) CNICINST 11103.4
(c) DoD 7000.14-R, Department of Defense Financial
Management Regulations
(d) DoD 4165.63-M, DoD Housing Management, 28 Oct 2010
(e) 10 U.S.C. §2821-2837
(f) OMB Circular A-45, Rental and Construction of
Government Quarters
(g) CNIC memo AG 12-5 7000 Ser N8/12U76741 of 29 Aug 2012

Encl: (1) Financial Management Principles for Navy-
Controlled Family Housing
(2) Unaccompanied Housing Quarters Operations (QO)

1. Purpose. This instruction is issued to provide general guidance and financial policy for the preparation of the Planning, Programming, Budgeting and Execution (PPBE) materials for the Family Housing, Navy (FH,N) and Unaccompanied Housing (UH) Quarters Operations (QO) portions of the Housing Program. This instruction applies to government costs associated with all government-controlled and privatized housing. It does not apply to Navy Gateway Inns and Suites (NGIS), whether owned and operated by the government or a private party. It complies fully with the scope and intent of guidance contained in references (a) through (g).

2. Cancellation. CNICINST 11103.7 dated 29 October 2008.

3. Background. Housing options are offered to service members and their families based upon familial composition. The laws, rules and Congressional language concerning budgeting and financial management of these properties are complex. Those responsible for management of Navy housing must understand these

rules, clearly convey these rules to residents and installation leadership, and consistently apply these rules to the management of Navy Housing.

4. Policy

a. The Navy will maintain suitable, affordable and safe housing for eligible personnel. Quality quarters enable service members to perform their mission and be confident that their families are suitably and safely housed while they are deployed.

b. All housing properties shall be managed in accordance with all Department of Defense (DoD) and Department of the Navy (DON) imposed cost limitations and budgets. This policy applies to:

(1) Appropriated funding for UH operations which are designated in the Installation Management Accounting Program (IMAP) as QO.

(2) All costs associated with the construction, improvement, operation, maintenance, and repair of family housing funded solely from the Family Housing, Navy (FH,N) appropriation.

c. The PPBE process is designed to coordinate the defined requirements of the Warfighter's needs directly with the desired objectives for Fleet readiness. In order to provide consistent levels of service output across all Navy regions, fiscal and manpower resources are aligned with requirements through Common Output Levels (COLs).

d. Enclosures (1) and (2) provide account structures for FH,N and UH QO respectively.

5. Responsibilities

a. Commander, Navy Installations Command (CNIC) Comptroller (N8) is responsible for:

(1) Coordinating budget reviews.

(2) Monitoring fund status and execution.

b. CNIC Housing (N93) is responsible for:

- (1) Overseeing all housing privatization programs.
- (2) Monitoring fund status and execution.
- (3) Ensuring program oversight processes are in place to protect the interests of the Navy.
- (4) Recommending distribution and use of FH,N and QO funding.
- (5) Establishing housing policy.

c. Region Commanders (REGCOMs) are responsible for:

- (1) Monitoring fund status and execution.
- (2) Providing technical program expertise and support to installation and region personnel.
- (3) Recommending distribution and use of FH,N and QO funding to the Region Comptroller (N8).

d. Installation Commanding Officers (COs) are responsible for:

- (1) Carrying out financial management policy and procedures.
- (2) Monitoring fund status and execution.
- (3) Recommending the distribution and use of FH,N and QO funding.
- (4) Ensuring cost-effective and efficient use of resources.

6. Actions

a. CNIC N8 shall:

- (1) Develop and publish annual housing budget guidance.
- (2) Validate, review, and submit annual Financial Management Budget (FMB), Office of Secretary of Defense (OSD), and Congressional budgets.
- (3) Allocate funding.

b. CNIC N93 shall:

- (1) Review and revise housing policy instructions.
- (2) Review and validate region Program Objective Memorandum (POM) and budget submissions.
- (3) Conduct assessments of housing operations and management.
- (4) Audit community support programs.
- (5) Grant exceptions to policy, where warranted.

c. REGCOMs shall:

- (1) Coordinate, review, validate, and submit annually to CNIC their POM submissions.
- (2) Review and submit to CNIC all Congressional notifications to include out-of-cycle and emergent safety-related Congressional submissions.
- (3) Review quarterly and year-end cost reports and submit to the Region Comptroller (N8).
- (4) Coordinate, review, validate, and submit to CNIC a well-documented mid-year review and year-end review.

d. Installation COs shall:

- (1) Develop and submit annual budgets in accordance with Housing budget guidance published by CNIC.
- (2) During the annual budget submission process, prepare, initial and update the six-year maintenance plan for General and Flag Officer Quarters (GFOQs), as required. Document, justify and explain any variances from the posted CNIC-approved plan. Note: annual submission of the required maintenance and budget documentation to CNIC via the Region Commander is required regardless of the total Maintenance and Repair (M&R) costs.
- (3) Submit emergent or safety-related Congressional notifications to CNIC via the REGCOM. Emergent or safety-related items include but are not limited to: natural disaster damage, unforeseen component failure, flooding or fire.

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(4) For government-controlled and Public Private Venture (PPV) GFOQs, prepare accurate individual quarterly and annual cost reports. Provide quarterly summary costs and other information to GFOQ residents for individual review. Coordinate review and concurrence with their respective CNIC comptroller. Forward cost reports, via the Region, to CNIC.

(5) Develop and coordinate current and long-range plans.

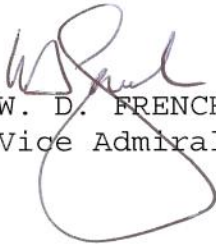
(6) Validate the accuracy of housing requirements documentation.

(7) Review and analyze housing financial programs:

(a) Establish, collect and maintain cost/performance data.

(b) Validate charges and accurate measurements of performance for housing regardless of degree of responsibility.

7. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed in accordance with SECNAV M-5210.1.



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**FINANCIAL MANAGEMENT PRINCIPLES FOR
NAVY-CONTROLLED FAMILY HOUSING**

1. Principles. The Family Housing, Navy (FH,N) Program is funded annually in the Department of Defense (DoD) Military Construction Quality of Life and Veterans Affairs Act and National Defense Authorization Act. Statutory regulations contained in the Military Construction Codification Act (Title 10, United States Code (U.S.C.), Armed Forces, Chapter 169) govern the Family Housing, Navy (FH,N) appropriation.

2. Account Structure for Family Housing

a. The FH,N Account is the uniform account system used by DoD as the management vehicle for financing all Family Housing programs. The uniform account structure is designed to:

(1) Maintain separate financial accounts for construction and post-acquisition construction and design; debt payments; operations and maintenance and leasing.

(2) Provide for program and financial administration.

(3) Provide controls to ensure FH,N funds are used only for their intended purpose.

b. The FH,N account consists of four elements: community housing, privatized family housing, government-controlled family housing and management functions for family housing.

(1) For community and privatized housing, assistance is provided to Service members and eligible civilian personnel to include housing referral services, and rental guarantee payments. Additionally, for privatized housing, oversight of health and safety issues for families residing in this housing is a critical element.

(2) Management, operations and maintenance is provided for government-controlled housing.

c. The Family Housing Property Account is a record of all government-controlled Family Housing (FH) physical properties managed and controlled by an activity under the FH program. The property account must include all facilities for which FH,N accounts are or will be expended.

(1) All real property is categorized as Class 1: land or Class 2: buildings, structures and utilities.

(2) All real property is assigned a category code for recording facilities on the property account.

(3) The 900 series applies to Class 1 property only and indicates the nature, degree and type of the Navy's interest.

(4) The other series of codes (100 to 800) apply to Class 2 properties and indicate the use of facilities. The category codes are available at the Internet Naval Facilities Assets Data Store (INFADS) website. Codes are the basis for structuring resource requirements, aligning expenditures and determining facilities groups for the development of projects.

(5) Minor property is personal property acquired for immediate use and having a unit cost of less than \$5000.

d. The FH,N appropriation is divided into two accounts, based on the life cycle of the funding:

(1) Family Housing Construction (FHCON) - Multiyear funds (5 years) for construction, improvements and design.

(2) Family Housing Operations and Maintenance (FH O&M) - Annual funds that expire on 30 September each year, and are used for operations, utilities, maintenance including major repair, leasing, and privatization support.

e. Additionally, the FH,N appropriation is divided into Special Interest Codes (SICs) for funding and management control of specific family housing programs. Funds described in the following line items are appropriated by Congress for the FH,N account. See Commander, Navy Installations Command (CNIC) Installation Managerial Accounting Project (IMAP) for specific definitions of what is included in each SIC.

(1) The FHCON account includes the following SICs:

- (a) SIC 10. New Construction
- (b) SIC 31. Improvements
- (c) SIC 40. Design for New Facilities
- (d) SIC 41. Design for Improvements

(2) The FH O&M account includes the following SICs:

- (a) SIC 10. Services
- (b) SIC 11. Management of Family Housing
- (c) SIC 12. Utilities
- (d) SIC 13. PPV Support Costs
- (e) SIC 14. Furnishings
- (f) SIC 15. Leasing
- (g) SIC 16. Miscellaneous
- (h) SIC 20. Maintenance
- (i) SIC 22. Major Repair
- (j) SIC 23. Quarters cleaning

f. Below the SIC level, the costs are displayed at the Cost Account Code (CAC) level. A complete list of CACs and their definitions can be found on the CNIC IMAP.

3. Budget Execution. Each level of command will develop financial plans to support the Annual Planning Figure (APF) and assure maximum use of resources during the budget execution year, and will:

a. Ensure annual funds are programmed to accomplish all maintenance and major repair included in the APF during the first three quarters of the fiscal year.

b. Request adequate funding to support the planned use of APFs. Estimates of quarterly or monthly funding requirements will be developed based on the scheduled work.

c. Ensure obligation plans are realistic.

d. Review status of resources and work plans.

UNACCOMPANIED HOUSING QUARTERS OPERATIONS (QO)

1. General. The operation of Unaccompanied Housing (UH) is funded as part of the Military Appropriations, Navy Base Operating Support (BOS) funds, Quarters Operations (QO) Special Interest Code (SIC). UH Operations include permanent party, dormitories, recruit berthing, and leased quarters. The QO SIC also covers labor and support provided for UH Public Private Venture (PPV) proposals and agreements. It does not cover the operational expenses of UH PPV units. Operational funding for Navy-owned and managed lodging is addressed in the Navy Gateway Inns and Suites (NGIS) policies and/or instructions.

2. Quarters Operations (QO). This SIC includes all labor, furnishings, fixtures, and equipment (FF&E), and other supplies needed to provide billeting to those individuals who are entitled to reside in government-owned and managed Unaccompanied Housing. The QO SIC is comprised of Sub-Functions, Sub-Cost Centers (SCCs) and Cost Account Codes (CACs) that are used for planning, programming, budgeting and execution of the QO account.

a. Sub-Function Descriptions. The QO SIC can be delineated by sub-functions which identify the requirements for planning and programming. The sub-functions under the QO SIC are as follows:

- (1) Permanent Party Operations
- (2) Permanent Party FF&E
- (3) UH PPV
- (4) Dorms Operations
- (5) Dorms FF&E

b. Sub-Cost Center (SCC). The QO SIC can be delineated by SCCs which identify costs for planning, programming, budgeting and execution. The SCCs under the QO SIC are as follows:

- (1) Permanent Party
- (2) Dormitory
- (3) Recruit

c. Component Descriptions. The QO SIC is defined by a series of CACs that are used for planning, programming, budgeting and execution of the QO account. The CACs have specific correlations to the allocations of funds. The

following is a list of available CACs. Consult the IMAP for the appropriate fiscal year information.

- (1) Leased
- (2) FF&E
- (3) Linens
- (4) Laundry Services
- (5) Supplies and Equipment and Office Support
- (6) Contracted Operations
- (7) Travel and Training
- (8) Labor/Staffing
- (9) Overseas Loaner FF&E
- (10) Washer/Dryer Purchase/Lease Resident Use
- (11) Locking systems
- (12) Surveillance Systems
- (13) PPV Labor and Support
- (14) Appliances and Equipment
- (15) Transportation of Things