



Department of Defense INSTRUCTION

AD-A272 192



January 29, 1985
NUMBER 7230.7

SUBJECT User Charges

- References: (a) DoD Instruction 7230.7, "User Charges," June 12, 1979 (hereby canceled)
(b) Title 31, United States Code, Section 9701
(c) Office of Management and Budget Circular No. A-25, "User Charges," September 23, 1959, as amended
(d) through (u), see enclosure 1

A. REISSUANCE AND PURPOSE

This Instruction reissues reference (a), implements the DoD program under references (b) and (c) for establishing appropriate charges for authorized services provided by DoD organizations.

B. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "DoD Components"). None of the provisions in this Instruction should be construed as providing authority for the sale or lease of property, or the rendering of special services. Actions to convey such special benefits must be authorized by separate authority. The user charge policy is applicable except when other statutes or directives specifically direct other practices or procedures.

C. DEFINITION

Recipient. One who requests or receives the benefits of the service(s) provided.

D. POLICY

1. General. It is DoD policy not to compete with available commercial facilities (see DoD Directive 4100.33, reference (d)) in providing special services or in the sale or lease of property to private parties and agencies outside the Federal Government. However, when a service or sale is made that conveys special benefits to recipients, above and beyond those accruing to the public at large, a reasonable charge shall be made to each identifiable recipient, except as otherwise authorized by the Secretary of Defense. A special benefit will be considered to accrue, and a charge shall be imposed when the service rendered:

a. Enables the recipient to obtain more immediate or substantial gain or values (which may or may not be measurable in monetary terms) than those which accrue to the general public; or

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b. Is performed at the request of the recipient and is above and beyond the services regularly received by or available without charge to the general public.

2. Costing.

a. A charge shall be imposed to recover the full cost to the Federal Government of rendering a service or the fair market value of such service, whichever is higher. Fair market value shall be determined in accordance with commercial rates in the local geographical area. In the absence of a known market value, charges shall be made based on recovery of full costs to the Federal Government.

b. When federally owned resources or property are leased or sold, a fair market value shall be obtained. Fair market value shall be determined by the application of sound business management principles and, so far as practicable and feasible, in accordance with comparable commercial practices. Charges based on fair market value need not be limited to the recovery of costs; they may produce net revenues to the Government.

3. Exclusions and Exceptions

a. The provisions of this Instructions do not apply when other statutes or directives require different practices or procedures such as for:

(1) Morale, welfare, and recreation services to military personnel and civilian employees of the Department of Defense and other services provided in accordance with enclosure 2.

(2) Sale or disposal of surplus property under approved programs (see DoD Instruction 7310.1 (reference (e))).

(3) Services furnished the general public relating to, or in furtherance of, the U.S. Armed Forces recruiting program.

(4) Services furnished to representatives of the public information media in the interest of public understanding of the U.S. Armed Forces.

(5) U.S. Armed Forces participation in public events. Charges for such participation are governed by the provisions of DoD Instruction 5410.19 (reference (f))).

(6) Records made available to the public, under the Freedom of Information Act, pursuant to DoD Directive 5400.7 (reference (g))). Charges for such record searches and copies of records are governed by Chapter VI of reference (g).

(7) Services furnished to non-Federal audio-visual media. Charges for such services are governed by the provisions of DoD Instruction 5410.15 (reference (h))).

(8) Government-developed computer programs released to non-Federal customers. Charges for software packages are governed by DoD Instruction 7930.2 (reference (i))).

(9) Pricing of performance by industrial fund activities which shall be in accordance with DoD Directive 7410.4 (reference (j)).

b. Charges may be waived or reduced when:

(1) The recipient of the benefits is engaged in nonprofit activity designed for the public safety, health, or welfare.

(2) Payment of the full fee by a state, local government, or nonprofit group would not be in the interest of the program.

(3) Furnishing of the service without charge is an appropriate courtesy to a foreign country or international organization, or comparable fees are set on a reciprocal basis with a foreign country.

(4) The incremental cost of collecting the fees would be an unduly large part of the receipts from the activity.

E. RESPONSIBILITIES

Heads of DoD Components, or designees, shall:

1. Implement this policy, which, as a minimum, includes:

a. Identifying each service or activity covered by this Instruction.

b. Determining the extent of the special benefit provided.

c. Determining applicable cost and fair market value.

d. Establishing appropriate charges and collecting from recipients of special services.

e. Granting cost waivers or reductions consistent with guidance in this Instruction.

2. Have the authority to jointly develop, update, and publish schedule(s) of fees and rates for common services provided by DoD.

F. CHARGES AND FEES

1. General

a. All charges and fees shall be based on total cost to the U.S. Government or fair market value, whichever is higher. Total cost shall be based on actual cost or replacement cost when property is to be replaced and expense data accumulated in accordance with DoD 7220.9-M (reference (k)). Estimates from the best available records may be used if actual cost or expense data is not available.

b. Cost accounting systems shall not be established solely for the purpose of determining charges, but the results of existing cost accounting systems shall be used. Total cost shall include all direct and indirect costs (see Chapter 71, reference (k)).

c. Charges and fees established in advance must be projected to the midpoint of the future period. Projected amounts shall be reviewed annually or whenever significant changes in cost or value occur.

d. Internal management controls (see DoD Directive 5010.38, reference (1)) must be established to ensure that charges and fees are developed and adjusted, using current, accurate, and complete data, in order to provide adequate recovery to the Department of Defense. Such controls also must ensure compliance with cash management and debt collection policies (see DoD Directive 7045.13, reference (m)).

2. Services.

a. Basic Requirements. The maximum charge for a special service shall be governed by its total cost or fair market value, whichever is higher, and not by the value of the service, to the recipient. The cost computation shall include the direct and indirect costs to the Government of carrying out the activity. Typically, a service may involve the following:

(1) Civilian salaries or wages, including the full cost of benefits, such as leave, retirement, and medical and life insurance.

(2) The full cost of military personnel services, including retirement, other personnel support, leave, and permanent change of station factors.

(3) The cost of materials, supplies, travel expenses, communications, utilities, equipment and property rental, and maintenance of property and equipment.

(4) Depreciation expense and interest on investment (currently at a 10 percent annual rate) (OMB Circular No. A-94 (reference (n)) in DoD-owned, fixed assets.

(5) Other operational, administrative, and accessorial (DoD Instruction 7510.4, reference (o)) costs incurred by the activity such as for establishing standards and regulations and research in support of the service performed.

(6) An administrative surcharge of 3 percent of total costs ((1) through (5) above) to cover general and administrative costs of the DoD Component.

b. Fees and Rates. Fees and rates shall be based on actual costs. The charges for services provided by data processing activities shall be determined by using the costs accumulated pursuant to OMB Circular No. A-121 (reference (p)) and Federal Government Accounting Pamphlet No. 4 (reference (q)) requirements. Fees and rates for recurring services shall be established in advance, when feasible. Recurring services include, but are not limited to, copying, certifying, and researching records, except when those services are excluded or exempted from charges under subsection C.3., above, or enclosure 2.

3. Lease or Sale of Property. Charges for lease or sale of property shall be based on a determination of fair market value.

a. In cases involving the lease or rental of military equipment, when there is no commercial counterpart, fair market value will be based on the computation of an annual rent which will be the sum of the annual depreciation plus interest on investment. The amount of interest on investment is determined by applying the interest rate to the net book value; that is, acquisition cost plus additions less depreciation. The current interest rate in OMB Circular No. A-94 (reference (n)) shall be used. Support, if furnished, and applicable general administration expenses will be extra. In determining the value, consideration may be given to the responsibility of the lessee to assume the risk of loss or damage to the property and to hold the Government harmless against claims or liabilities by the lessee or third parties.

b. In cases involving the sale of property when there is no known fair market value, costs shall be based on the total of the standard price of the item carried in inventory, or the reduced price when so authorized for sale within the Department of Defense and the accessorial and administrative costs computed under DoD Instruction 7510.4 (reference (o)).

G. COLLECTIONS

1. Collections of charges and fees shall be made in advance of rendering the service, except when preservation of life or property is involved, performance is authorized by law without advance payment, or advance payment is impractical because multiple requests for services are received on a continuing basis from a reliable requester (i.e., consistently prompt payments for services received). When an advance collection exception is approved, an accounts receivable will be established to control collections. The policies in DoD 7220.9-M, DoD Directive 5010.38, and DoD Directive 7045.13 (references (k), (l), and (m)) shall be used in accounting, controlling, and managing cash and debt collections.

a. Collections of fees and charges normally will be deposited to Miscellaneous Receipts of the Treasury unless otherwise authorized by law or regulation.

b. Collections for utilities and services in connection with the lease of property will be deposited to the appropriation or fund responsible for financing the operations of the equipment or facility.

H. LEGISLATIVE PROPOSALS

In cases where collections of fees and charges for services or property are limited or restricted by provisions of existing law, the DoD Component(s) concerned will submit appropriate remedial legislative proposals under applicable legislative procedures. (See DoD Instruction 5500.4, reference (r)).

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I. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward one copy of implementing documents to the Assistant Secretary of Defense (Comptroller) within 120 days.

Robert W. Helm

ROBERT W. HELM
Assistant Secretary of Defense
(Comptroller)

Enclosures - 2

1. References
2. Examples of Benefits not to be Charged
Under Provisions of Subsection C.3. of
Basic Instruction.

REFERENCES, continued

- (d) DoD Directive 4100.33, "Operation of Commercial and Industrial-Type Activities," February 25, 1980
- (e) DoD Instruction 7310.1, "Accounting and Reporting for Property Disposal and Proceeds from Sale of Disposable Personal Property and Lumber or Timber Products," July 10, 1970
- (f) DoD Instruction 5410.19, "Armed Forces Community Relations," July 19, 1979
- (g) DoD Directive 5400.7, "DoD Freedom of Information Act Program," March 24, 1980
- (h) DoD Instruction 5410.15, "Delineation of DoD Audio-Visual Public Affairs Responsibilities and Policies," November 3, 1966
- (i) DoD Instruction 7930.2, "ADP Software Exchange and Release," December 31, 1979
- (j) DoD Directive 7410.4, "Industrial Fund Operations," April 16, 1982
- (k) DoD 7220.9-M, DoD Accounting Manual, October 1983, authorized by DoD Instruction 7220.9, "DoD Accounting Policy," October 22, 1981
- (l) DoD Directive 5010.38, "Internal Management Control Program," July 16, 1984
- (m) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program," August 22, 1983
- (n) OMB Circular No. A-94, "Discount Rates to be Used in Evaluating Time-Distributed Costs and Benefits," March 27, 1972
- (o) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales, and Transfers of Materials, Supplies and Equipment," April 7, 1967
- (p) OMB Circular No. A-121, "Cost Accounting, Cost Recovery and Interagency Sharing of Data Processing Facilities," September 16, 1980
- (q) Federal Government Accounting Pamphlet No. 4, "Guidelines for Accounting for Automatic Data Processing Costs," General Accounting Office, 1978
- (r) DoD Instruction 5500.4, "Preparation and Processing of Legislation, Executive Orders, Proclamation, and Reports and Comments Thereon," September 20, 1961
- (s) Public Law 86-382, Federal Employees Health Benefits Act of 1959
- (t) Executive Order 12065, "National Security Information," June 28, 1978
- (u) DoD 5200.1-R, "Information Security Program Regulation," August 1982, authorized by DoD Directive 5200.1, June 7, 1982

EXAMPLES OF BENEFITS NOT TO BE CHARGED
UNDER PROVISIONS OF SUBSECTION C.3. OF BASIC INSTRUCTION¹

1. Services² requested by members of the U.S. Armed Forces in their capacity as Service members.
2. Services requested by members of the U.S. Armed Forces who are in a casualty status, or requested by their next of kin or legal representative, or requested by any source, when it relates to a casualty.
3. The address of record of a member or former member of the U.S. Armed Forces when the address is available readily through a directory (locator) service, and when the address is requested by a member of the U.S. Armed Forces or by a relative or a legal representative of a member of the U.S. Armed Forces or when the address of record is requested by any source for the purpose of paying monies or forwarding property to a member or former member of the U.S. Armed Forces.
4. Services requested by or on behalf of a member or former member of the U.S. Armed Forces or, if deceased, his or her next of kin or legal representative that pertain to the following:
 - a. Information required to obtain financial benefits regardless of the terms of separation from the Service.
 - b. Document showing membership and military record in the Armed Forces if discharge or release was under honorable conditions, except as provided in subsections 4.a. and 4.d.
 - c. Information relating to a decoration or award or required for memorialization purposes.
 - d. Review or change in type of discharge or correction of records.
 - e. Personal documents, such as birth certificates, when such documents are required to be furnished by the member.
5. Services that are furnished free in accordance with statutes or executive orders.
6. Information from or copies of medical and dental records or X-ray films of patients or former patients of military medical or dental facilities, when such information is required and requests for such data are (a) submitted by an accredited medical facility, physician, or dentist; or (b) requested by the patient, his or her next of kin, or legal representative.

¹Unless otherwise prohibited by law or other DoD issuance.

²Services may include requests involving property or other resources of Department of Defense.

7. Services involving confirmation of employment, disciplinary or other records, and salaries of active or separated civilian or military personnel, when requested by prospective employers or recognized sources of inquiry for credit or financial purposes.
8. Services requested by and furnished to a Member of Congress for official use.
9. Services requested by state, territorial, county, or municipal government, or an agency thereof, that is performing a function related to or furthering of a DoD objective.
10. Services requested by a court, when the service will serve as a substitute for personal court appearance of a military or civilian employee of the Department of Defense.
11. Services requested by a nonprofit organization that is performing a function related to or furthering an objective of the Federal Government or that is in the interest of public health and welfare, including education.
12. Services requested by an individual or corporation that is performing a function related to or furthering an objective of the Federal Government, when the cost of such services would be chargeable to a Federal Government contract or grant held by the individual or corporation.
13. Services requested by donors with respect to their gifts.
14. Requests for occasional and incidental services (including requests from residents of foreign countries), that are not requested often, when it is determined administratively that a fee would be inappropriate for the occasional and incidental services.
15. Requests from Federal employees for the completion of claims for reimbursement under the Federal Employees Health Benefit Act of 1959 (reference (s)).
16. Administrative services provided by reference or reading rooms to inspect public records, excluding copies of records or documents furnished.
17. Requests for military locator service by financial organizations that are located on DoD installations.
18. Requests for military locator service by financial organizations that are engaged in the direct deposit program and that are not located on DoD installations. Requests for an address of record shall include the following:
 - a. A statement that the financial organization is listed as a direct deposit recipient in the current U.S. Treasury Bureau of Accounts, "Financial Organizations Directory."
 - b. A statement that the individual, whose address is being requested, has his or her pay forwarded as a direct deposit by a DoD disbursing officer.
 - c. The individual's financial organization's account number.

19. Services rendered in response to requests for classification review of DoD classified records, submitted under E.O. 12065 (reference (t)), and implemented by DoD 5200.1-R (reference (u)). Such services consist of the work performed in conducting the classification review or in granting and completing an appeal from a denial of declassification following such review.

20. Services of a humanitarian nature performed in such emergency situations as life-saving transportation for non-U.S. Armed Forces patients, search and rescue operations, and airlift of personnel and supplies to a disaster site. This does not mean that inter- and intra-Governmental agreements to recover all or part of costs should not be negotiated. Rather, it means the recipient or beneficiary will not be assessed a "user charge."

DEPARTMENT OF DEFENSE

DIRECTIVES SYSTEM TRANSMITTAL

NUMBER 7230.7, Change 1	DATE March 28, 1986	DISTRIBUTION 7000 series
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ATTACHMENTS

Pages 3&4, 1-1, and enclosure 3 (pages 3-1 through 3-5)

INSTRUCTIONS FOR RECIPIENTS

The following changes to DoD Instruction 7230.7, "Users Charges," January 29, 1985, are authorized:

PEN CHANGE

Page 2-1, line 2 of the enclosure title Change "C.3." to "D.3."

The changed portion is underscored.

PAGE CHANGES

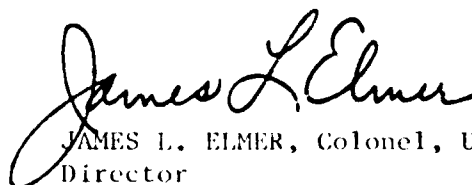
Remove: Pages 3&4 and 1-1.

Insert: Attached replacement pages 3&4, 1-1, and the new enclosure 3 (pages 3-1 through 3-5).

Changes appearing on pages 3&4 and 1-1 are indicated by marginal asterisks. The new enclosure 3 (pages 3-1 through 3-5) contains the date of this transmittal notice.

EFFECTIVE DATE AND IMPLEMENTATION

The above changes are effective immediately. Forward one copy of revised implementing documents to the Assistant Secretary of Defense (Comptroller) within 120 days.



JAMES L. ELMER, Colonel, USAF
Director
Correspondence and Directives

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

(9) Pricing of performance by industrial fund activities which shall be in accordance with DoD Directive 7410.4 (reference (j))

b. Charges may be waived or reduced when:

(1) The recipient of the benefits is engaged in nonprofit activity designed for the public safety, health, or welfare.

(2) Payment of the full fee by a state, local government, or nonprofit group would not be in the interest of the program.

(3) Furnishing of the service without charge is : appropriate courtesy to a foreign country or international organization, or comparable fees are set on a reciprocal basis with a foreign country.

(4) The incremental cost of collecting the fees would be an unduly large part of the receipts from the activity.

E. RESPONSIBILITIES

Heads of DoD Components, or designees, shall:

1. Identify each service or activity covered by this Instruction.

2. Determine the extent of the special benefit provided.

3. Determine applicable cost and fair market value.

4. Establish appropriate charges and collect from recipients of special services.

5. Grant cost waivers or reductions consistent with guidance in this Instruction.

* 6. Recommend to the Assistant Secretary of Defense (Comptroller) necessary additions and revisions to enclosure 3. *

F. CHARGES AND FEES

1. General

a. All charges and fees shall be based on total cost to the U.S. Government or fair market value, whichever is higher. Total cost shall be based on actual cost or replacement cost when property is to be replaced and expense data accumulated in accordance with DoD 7220.9-M (reference (k)). Estimates from the best available records may be used if actual cost or expense data is not available.

b. Cost accounting systems shall not be established solely for the purpose of determining charges, but the results of existing cost accounting systems shall be used. Total cost shall include all direct and indirect costs (see Chapter 71, reference (k)).

c. Charges and fees established in advance must be projected to the midpoint of the future period. Projected amounts shall be reviewed annually or whenever significant changes in cost or value occur.

d. Internal management controls (see DoD Directive 5010.38, reference (1)) must be established to ensure that charges and fees are developed and adjusted, using current, accurate, and complete data, to provide reimbursement conforming to statutory requirements. Such controls also must ensure compliance with cash management and debt collection policies (see DoD Directive 7045.13, reference (m)).

2. Services.

a. Basic Requirements. The maximum charge for a special service shall be governed by its total cost or fair market value, whichever is higher, and not by the value of the service, to the recipient. The cost computation shall include the direct and indirect costs to the Government of carrying out the activity. Typically, a service may involve the following:

(1) Civilian salaries or wages, including the full cost of benefits, such as leave, retirement, and medical and life insurance.

(2) The full cost of military personnel services, including retirement, other personnel support, leave, and permanent change of station factors.

(3) The cost of materials, supplies, travel expenses, communications, utilities, equipment and property rental, and maintenance of property and equipment.

(4) Depreciation expense and interest on investment (currently at a 10 percent annual rate) (OMB Circular No. A-94 (reference (n)) in DoD-owned, fixed assets.

(5) Other operational, administrative, and accessorial (DoD Instruction 7510.4, reference (o)) costs incurred by the activity while establishing standards and regulations and research in support of the service performed, for example.

b. Fees and Rates. Fees and rates shall be based on actual costs. The charges for services provided by data processing activities shall be determined by using the costs accumulated pursuant to OMB Circular No. A-121 (reference (p)) and Federal Government Accounting Pamphlet No. 4 (reference (q)) requirements. Fees and rates for recurring services shall be established in advance, when feasible. Recurring services include, but are not limited to, copying, certifying, and researching records, except when those services are excluded or exempted from charges under subsection D.3., above, or enclosure 2.

c. DoD-wide Fees and Rates. Enclosure 3 provides a schedule of fees and rates for certain services for use throughout the Department of Defense. Recommendations for additions and revisions to the schedule will be made to the Assistant Secretary of Defense (Comptroller).

3. Lease or Sale of Property. Charges for lease or sale of property shall be based on a determination of fair market value.

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REFERENCES, continued

- (d) DoD Directive 4100.33, "Operation of Commercial and Industrial-Type Activities," February 25, 1980
- * (e) DoD Instruction 7310.1, "Disposition of Proceeds from Sales of DoD Excess and Surplus Personal Property," November 15, 1984 *
- (f) DoD Instruction 5410.19, "Armed Forces Community Relations," July 19, 1979
- (g) DoD Directive 5400.7, "DoD Freedom of Information Act Program," March 24, 1980
- (h) DoD Instruction 5410.15, "Delineation of DoD Audio-Visual Public Affairs Responsibilities and Policies," November 3, 1966
- (i) DoD Instruction 7930.2, "ADP Software Exchange and Release," December 31, 1979
- (j) DoD Directive 7410.4, "Industrial Fund Operations," April 16, 1982
- (k) DoD 7220.9-M, DoD Accounting Manual, October 1983, authorized by DoD Instruction 7220.9, "DoD Accounting Policy," October 22, 1981
- (l) DoD Directive 5010.38, "Internal Management Control Program," July 16, 1984
- (m) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program," August 22, 1983
- (n) OMB Circular No. A-94, "Discount Rates to be Used in Evaluating Time-Distributed Costs and Benefits," March 27, 1972
- (o) DoD Instruction 7510.4, "Uniform Policy for Charging Accessorial and/or Administrative Costs Incident to Issues, Sales, and Transfers of Materials, Supplies and Equipment," April 7, 1967
- (p) OMB Circular No. A-121, "Cost Accounting, Cost Recovery and Interagency Sharing of Data Processing Facilities," September 16, 1980
- (q) Federal Government Accounting Pamphlet No. 4, "Guidelines for Accounting for Automatic Data Processing Costs," General Accounting Office, 1978
- (r) DoD Instruction 5500.4, "Preparation and Processing of Legislation, Executive Orders, Proclamation, and Reports and Comments Thereon," September 20, 1961
- (s) Public Law 86-382, Federal Employees Health Benefits Act of 1959
- (t) Executive Order 12065, "National Security Information," June 28, 1978
- * (u) DoD 5200.1-R, "Information Security Program Regulation," August 1982, authorized by DoD Directive 5200.1, "DoD Information Security Program," June 7, 1982 *

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SCHEDULE OF FEES AND RATES

This schedule applies to authorized services related to copying, certifying, and searching records rendered to the public by DoD Components, except when those services are excluded or excepted from charges under subsection D.3. of the basic instruction, or enclosure 2. Except as provided in special cases prescribed below, a minimum fee of \$3.50 will be levied for processing any chargeable case. Normally only one copy of any record or document will be provided.

Requests involvingFee

1. Training and Education (copies of documents required for other than official purposes).

a. Transcripts

First copy	\$3.50
Each additional copy	.45
(includes requests for transcripts of graduation from military academies and schools)	

b. Certificates

First copy	\$3.50
Each additional copy	.45
(includes all requests for certificates, verification of attendance, and course completion from service schools and other facilities.)	

2. Medical and Dental Records of Patients and Former Patients (when requested for purposes other than further medical treatment). Covers request for information from or copies of medical records, including clinical records (inpatient records of military and non-military patients), health records (military outpatient records), outpatient records (non-military outpatient records), dental records, and loan of x-rays.

a. Searching and processing (per hour)	\$13.25
Minimum charge	8.30
b. Each typewritten page	\$ 3.50
c. Office copy reproductions (per image)	\$ 0.10
d. Copy or loan of each x-ray	\$ 8.50

3. Military Membership and Record (Excluding Medical and Dental Records).

a. Address of record, each	\$ 3.50
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b. Copies of releasable military personnel records (e.g., effectiveness reports for officers and enlisted personnel) reproduced for the personal use of active, retired, and former members, next of kin of missing-in-action or deceased members of the Armed Forces.

Minimum charge (up to six reproduced images) \$3.50

Each additional image10

Statement of verification of service or report of
separation for individuals with other than honorable
discharges 5.20

4. Photography.

a. Still pictorial or documentary photographic prints. Unlisted standard sizes of prints may be furnished, if available, at prevailing contract or activity rates.

					<u>Price Per Print:</u>				
					<u>Quantity</u>	<u>1-9</u>	<u>10-20</u>	<u>21-50</u>	<u>50+</u>
8" x 10" single weight (RC type) paper					\$	4.50	\$ 3.25	\$ 2.50	\$ 1.75
11" x 14" single weight (RC type) paper						9.00	7.00	5.00	4.00
16" x 20" " " " "						19.00	15.00	12.00	9.50
20" x 24" " " " "						30.00	25.00	20.00	15.00
8" x 10" " " color "						11.00	7.50	3.50	3.00
11" x 14" " " " "						17.00	9.00	6.50	5.50
16" x 20" " " " "						35.00	25.00	14.00	11.50
35mm color transparency slide made from color negative						5.00	3.50	3.00	3.00
35mm duplicate from 35mm slide						1.00	.60	.50	.45
Print mounted on 16" x 20" cardboard						8.00	+unit price of print		
Print mounted on 20" x 24" cardboard						12.00	+unit price of print		
8" x 10" color transparencies						20.00	(first); 16.00 each additional		
4" x 5" " " "						4.50			
4" x 5" B&W negative						2.00			
70mm color negative						7.50			

NOTE: Prices may vary by 20% of these average charges based on local in-house labor, equipment, and supply (raw stock) costs.

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b. Motion Picture

<u>Color</u>	<u>Price per foot</u> <u>Contact</u>
16mm work print (positive work print from an original negative).....	\$0.20
16mm reversal work print.....	.20
16mm color master ("A" roll).....	.60
16mm duplicate negative (from master positive)...	.60
16mm reversal duplicate negative.....	.85
16mm internegative (from reversal original).....	.70
16mm short rolls (under 100 ft).....	.10 + basic price
16mm tab-to-tab printing.....	.20 + basic price
 <u>Black and White</u>	
16mm work print (negative/positive).....	.10
16mm master positive (fine grain).....	.25
16mm duplicate negative.....	.25
16mm short rolls (under 200 ft).....	.10 + basic price
16mm tab-to-tab printing.....	.10 + basic price

c. Miscellaneous

Magnetic tape - dub from 16mm film.....	\$ 65.00 +	raw stock
Searching (per hour or fraction thereof).....	18.00	
Minimum charge per film order (including search).	35.00	
16mm film to videotape (broadcast quality tape format per hour).....	275.00 +	raw stock
Minimum charge for film to videotape transfer....	140.00 +	raw stock

Aerial photographic print processing prices will be determined by the local DoD-operated lab due to limited availability.

35mm film processing for motion pictures is not done in-house by the DoD. Charges for this type of processing will be at prevailing contract rates on a case-by-case basis.

5. Construct on and Engineering Information. Copies of aerial photograph maps, specifications, permits, charts, blueprints, and other technical engineering documents.

a. Searching, per hour or fraction thereof (including overhead costs).....	\$13.25
b. First print.....	\$ 2.50
c. Each additional print of same document.....	\$ 0.85

6. Copies of Medical Articles and Illustrations. Standards contained in the basic Instruction will be utilized in computing costs.

March 28, 1986

7. Claims, Litigation. Copies of documents required for other than official purposes. (Includes court-martial records furnishing information from Report of Claims Investigations; e.g., automobile collision investigations and safety reports.) Requests pertaining to private litigation and to cases in which the United States is a party and where court rules provide for reproduction of records without cost to the Government (if not covered in 2. or 3., above).

- a. Searching and processing (per hour)..... \$13.25
Minimum charge..... 8.30
NOTE: Charges for professional search or research
will be made in accordance with 10.b., below.
- b. Office copy reproduction (minimum for six
pages or less)..... \$ 3.50
- c. Each additional image..... \$ 0.10
- d. Certification and validation with seal, each..... \$ 5.20

8. Publications and Forms. A search and/or processing fee, as described in 10.a., below, will be made for requests requiring extensive time (one hour or more).

a. Shelf Stock. (Requesters may be furnished more than one copy of publication or form if it does not deplete stock levels below projected planned usage.)

- (1) Minimum fee per request (six pages or less) \$ 3.50
plus:
 - (a) Form, per copy..... .10
 - (b) Publications, per printed page... .02
 - (c) Microfiche, per fiche..... .10

(2) (Examples: Cost of 20 forms, \$5.50; cost of a publication with 100 pages, \$5.50; cost of microfiche publication consisting of 10 fiches, \$4.50)

b. Office Copy Reproduction (when shelf stock is not available)

- (1) Minimum fee per request (six pages
or less)..... \$ 3.50
- (2) Each additional page..... .10
- (3) Minimum charge first fiche..... 8.70
- (4) Each additional fiche..... .20

9. Engineering Data (Microfilm).

a. Aperture Cards

- | | |
|--|---------|
| (1) Silver duplicate negative, per card... | \$ 0.75 |
| When keypunched and verified, | |
| per card..... | .85 |
| (2) Diazo duplicate negative, per card.... | .65 |
| When keypunched and verified, | |
| per card..... | .75 |

b. 35mm roll film, per frame..... \$ 0.50

c. 16mm roll film, per frame..... \$ 0.45

d. Paper prints (engineering drawings), each... \$ 1.50

e. Paper reprints of microfilm indices, each... \$ 0.10

10. General. Charges for any additional services not specifically provided above, consistent with the provisions of the basic Instruction, will be made by the respective DoD Components at the following rates:

- | | |
|---|---------|
| a. Clerical search and processing, per hour... | \$13.25 |
| Minimum charge..... | 8.30 |
| b. Professional search or researching (To be established at actual hourly rate prior to search. A minimum charge will be established at ½-hourly rates.)..... | |
| c. Minimum charge for office copy reproduction (up to six images)..... | \$ 3.50 |
| d. Each additional image..... | \$ 0.10 |
| e. Each typewritten page..... | \$ 3.50 |
| f. Certification and validation with seal, each..... | \$ 5.20 |
| g. Hand-drawn plots and sketches, each hour or fraction thereof..... | \$12.00 |

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DEPARTMENT OF DEFENSE DIRECTIVES SYSTEM TRANSMITTAL

NUMBER

7230.7, Ch 2

DATE

October 20, 1989

DISTRIBUTION

7000 series

ATTACHMENTS

Pages 3 through 2-3

INSTRUCTIONS FOR RECIPIENTS

The following page changes to DoD Instruction 7230.7, "User Charges," January 29, 1985, are authorized:

PAGE CHANGES

Remove: Pages 3 through 6 and Enclosures 1&2

Insert: Attached replacement pages

Changes appear on pages 4, 5, 6, 1-1, 2-2, and 2-3 and are indicated by marginal asterisks.

EFFECTIVE DATE AND IMPLEMENTATION

The above changes are effective immediately. Forward one copy of the revised implementing document to the Comptroller of the Department of Defense within 120 days.


JAMES L. ELMER
Director

Correspondence and Directives

Attachments: 8 pages

WHEN PRESCRIBED ACTION HAS BEEN TAKEN, THIS TRANSMITTAL SHOULD BE FILED WITH THE BASIC DOCUMENT

(9) Pricing of performance by industrial fund activities which shall be in accordance with DoD Directive 7410.4 (reference (j)).

b. Charges may be waived or reduced when:

(1) The recipient of the benefits is engaged in nonprofit activity designed for the public safety, health, or welfare.

(2) Payment of the full fee by a state, local government, or nonprofit group would not be in the interest of the program.

(3) Furnishing of the service without charge is an appropriate courtesy to a foreign country or international organization, or comparable fees are set on a reciprocal basis with a foreign country.

(4) The incremental cost of collecting the fees would be an unduly large part of the receipts from the activity.

E. RESPONSIBILITIES

Heads of DoD Components, or designees, shall:

1. Identify each service or activity covered by this Instruction.
2. Determine the extent of the special benefit provided.
3. Determine applicable cost and fair market value.
4. Establish appropriate charges and collect from recipients of special services.
5. Grant cost waivers or reductions consistent with guidance in this Instruction.
6. Recommend to the Comptroller of the Department of Defense necessary additions and revisions to enclosure 3.

F. CHARGES AND FEES

1. General

a. All charges and fees shall be based on total cost to the U.S. Government or fair market value, whichever is higher. Total cost shall be based on actual cost or replacement cost when property is to be replaced and expense data accumulated in accordance with DoD 7220.9-M (reference (k)). Estimates from the best available records may be used if actual cost or expense data is not available.

b. Cost accounting systems shall not be established solely for the purpose of determining charges, but the results of existing cost accounting systems shall be used. Total cost shall include all direct and indirect costs (see Chapter 71, reference (k)).

* c. Charges and fees established in advance of performance shall be *
* based on the estimated cost of performance (including applicable depreciation), *
* pro rated over the period of performance. Projected amounts shall be reviewed *
* annually or whenever significant changes in cost or value occur. *

d. Internal management controls (see DoD Directive 5010.38, reference (1)) must be established to ensure that charges and fees are developed and adjusted, using current, accurate, and complete data, to provide reimbursement conforming to statutory requirements. Such controls also must ensure compliance with cash management and debt collection policies (see DoD Directive 7045.13, reference (m)).

2. Services.

a. Basic Requirements. The maximum charge for a special service shall be governed by its total cost or fair market value, whichever is higher, and not by the value of the service, to the recipient. The cost computation shall include the direct and indirect costs to the Government of carrying out the activity. Typically, a service may involve the following:

(1) Civilian salaries or wages, including the full cost of benefits, such as leave, retirement, and medical and life insurance.

(2) The full cost of military personnel services, including retirement, other personnel support, leave, and permanent change of station factors.

(3) The cost of materials, supplies, travel expenses, communications, utilities, equipment and property rental, and maintenance of property and equipment.

(4) Depreciation expense and interest on investment (currently at a 10 percent annual rate) (OMB Circular No. A-94 (reference (n)) in DoD-owned, fixed assets.

(5) Other operational, administrative, and accessorial costs incurred by the activity while establishing standards and regulations and research in support of the service performed, for example.

b. Fees and Rates. Fees and rates shall be based on actual costs. The charges for services provided by data processing activities shall be determined by using the costs accumulated pursuant to OMB Circular No. A-121 * (reference (o)) and Federal Government Accounting Pamphlet No. 4 (reference * (p)) requirements. Fees and rates for recurring services shall be established in advance, when feasible. Recurring services include, but are not limited to, copying, certifying, and researching records, except when those services are excluded or exempted from charges under subsection D.3., above, or enclosure 2. *

c. DoD-wide Fees and Rates. Enclosure 3 provides a schedule of fees and rates for certain services for use throughout the Department of Defense. Recommendations for additions and revisions to the schedule will be made to * the Comptroller of the Department of Defense. *

3. Lease or Sale of Property. Charges for lease or sale of property shall
* be based on the following: *

* a. Leases of Military Equipment or Real Estate *

* (1) In cases involving the lease or rental of military equipment, *

when there is no commercial counterpart, fair market value will be based on the computation of an annual rent which will be the sum of the annual depreciation plus interest on investment. The amount of interest on investment is determined by applying the interest rate to the net book value; that is, acquisition cost plus additions less depreciation. The current interest rate in OMB Circular No. A-94 (reference (n)) shall be used. Support, if furnished, and applicable general administration expenses will be extra. In determining the value, consideration may be given to the responsibility of the lessee to assume the risk of loss or damage to the property and to hold the Government harmless against claims or liabilities by the lessee or third parties.

* (2) In those cases involving real estate outgrants, the leasing *

* activity shall recover the higher of the fair market value of the asset being *

* leased or the administrative costs of issuing and processing an outgrant. *

* b. Sale of Property. When there is legal authority to sell property *

* to the public, the selling price of the property and related accessorial and *

* administrative costs shall be computed in accordance with Chapter 26, "Reimburse- *

* ments" of DoD 7220.9-M (reference (k)). *

G. COLLECTIONS

1. Collections of charges and fees shall be made in advance of rendering the service, except when preservation of life or property is involved, performance is authorized by law without advance payment, or advance payment is impractical because multiple requests for services are received on a continuing basis from a reliable requester (i.e., consistently prompt payments for services received). When an advance collection exception is approved, an accounts receivable will be established to control collections. The policies in DoD 7220.9-M, DoD Directive 5010.38, and DoD Directive 7045.13 (references (k), (l), and (m)) shall be used in accounting, controlling, and managing cash and debt collections.

a. Collections of fees and charges normally will be deposited to Miscellaneous Receipts of the Treasury unless otherwise authorized by law or regulation.

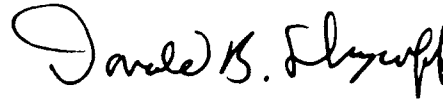
b. Collections for utilities and services in connection with the lease of property will be deposited to the appropriation or fund responsible for financing the operations of the equipment or facility.

H. LEGISLATIVE PROPOSALS

In cases where collections of fees and charges for services or property are limited or restricted by provisions of existing law, the DoD Component(s) concerned will submit appropriate remedial legislative proposals under applicable legislative procedures. (See DoD Instruction 5500.4, reference (q)). *

I. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward one copy of implementing documents to the Comptroller of the Department of Defense within 120 days. *



Donald B. Shycoff
Principal Deputy Comptroller

- * Enclosures - 3 *
- 1. References
- * 2. Examples of Benefits not to be Charged *
- Under Provisions of Subsection D.3. of
- Basic Instruction
- * 3. Schedule of Fees and Rates *

REFERENCES, continued

- * (d) DoD Directive 4100.33, "Commercial Activities Program Procedures," *
* September 9, 1985 *
- * (e) DoD Instruction 7310.1, "Disposition of Proceeds from DoD Sales of Surplus *
* Personal Property," July 10, 1989 *
- (f) DoD Instruction 5410.19, "Armed Forces Community Relations," July 19, 1979
- (g) DoD Directive 5400.7, "DoD Freedom of Information Act Program,"
- * May 13, 1988 *
- * (h) DoD Instruction 5410.15, "DoD Public Affairs Assistance to Non-Government, *
* Non-Entertainment-Oriented Print and Electronic Media," March 28, 1989 *
- (i) DoD Instruction 7930.2, "ADP Software Exchange and Release," December 31, 1979
- * (j) DoD Directive 7410.4, "Industrial Fund Operations," July 1, 1988 *
- (k) DoD 7220.9-M, DoD Accounting Manual, October 1983, authorized by DoD
Instruction 7220.9, "DoD Accounting Policy," October 22, 1981
- * (l) DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987 *
- (m) DoD Directive 7045.13, "DoD Credit Management and Debt Collection Program,"
- * October 31, 1986 *
- (n) OMB Circular No. A-94, "Discount Rates to be Used in Evaluating Time-
Distributed Costs and Benefits," March 27, 1972
- * (o) OMB Circular No. A-121, "Cost Accounting, Cost Recovery and Interagency *
Sharing of Data Processing Facilities," September 16, 1980 *
- * (p) Federal Government Accounting Pamphlet No. 4, "Guidelines for Accounting *
for Automatic Data Processing Costs," General Accounting Office, 1978 *
- * (q) DoD Instruction 5500.4, "Preparation and Processing of Legislation, *
Executive Orders, Proclamation, and Reports and Comments Thereon,"
September 20, 1961
- * (r) Public Law 86-382, "Federal Employees Health Benefits Act of 1959" *
- * (s) Executive Order 12065, "National Security Information," June 28, 1978 *
- * (t) DoD 5200.1-R, "Information Security Program Regulation," June 1986 *
- authorized by DoD Directive 5200.1, "DoD Information Security Program,"
June 7, 1982

Second Amendment (Ch 2, 10/20/89)

EXAMPLES C BENEFITS NOT TO BE CHARGED
UNDER PROVISIONS OF SUBSECTION C.3. OF BASIC INSTRUCTION¹

1. Services² requested by members of the U.S. Armed Forces in their capacity as Service members.
2. Services requested by members of the U.S. Armed Forces who are in a casualty status, or requested by their next of kin or legal representative, or requested by any source, when it relates to a casualty.
3. The address of record of a member or former member of the U.S. Armed Forces when the address is available readily through a directory (locator) service, and when the address is requested by a member of the U.S. Armed Forces or by a relative or a legal representative of a member of the U.S. Armed Forces or when the address of record is requested by any source for the purpose of paying monies or forwarding property to a member or former member of the U.S. Armed Forces.
4. Services requested by or on behalf of a member or former member of the U.S. Armed Forces or, if deceased, his or her next of kin or legal representative that pertain to the following:
 - a. Information required to obtain financial benefits regardless of the terms of separation from the Service.
 - b. Document showing membership and military record in the Armed Forces if discharge or release was under honorable conditions, except as provided in subsections 4.a. and 4.d.
 - c. Information relating to a decoration or award or required for memorialization purposes.
 - d. Review or change in type of discharge or correction of records.
 - e. Personal documents, such as birth certificates, when such documents are required to be furnished by the member.
5. Services that are furnished free in accordance with statutes or executive orders.
6. Information from or copies of medical and dental records or X-ray films of patients or former patients of military medical or dental facilities, when such information is required and requests for such data are (a) submitted by an accredited medical facility, physician, or dentist; or (b) requested by the patient, his or her next of kin, or legal representative.

¹Unless otherwise prohibited by law or other DoD issuance.

²Services may include requests involving property or other resources of Department of Defense.

7. Services involving confirmation of employment, disciplinary or other records, and salaries of active or separated civilian or military personnel, when requested by prospective employers or recognized sources of inquiry for credit or financial purposes.
8. Services requested by and furnished to a Member of Congress for official use.
9. Services requested by state, territorial, county, or municipal government, or an agency thereof, that is performing a function related to or furthering of a DoD objective.
10. Services requested by a court, when the service will serve as a substitute for personal court appearance of a military or civilian employee of the Department of Defense.
11. Services requested by a nonprofit organization that is performing a function related to or furthering an objective of the Federal Government or that is in the interest of public health and welfare, including education.
12. Services requested by an individual or corporation that is performing a function related to or furthering an objective of the Federal Government, when the cost of such services would be chargeable to a Federal Government contract or grant held by the individual or corporation.
13. Services requested by donors with respect to their gifts.
14. Requests for occasional and incidental services (including requests from residents of foreign countries), that are not requested often, when it is determined administratively that a fee would be inappropriate for the occasional and incidental services.
15. Requests from Federal employees for the completion of claims for reimbursement under the Federal Employees Health Benefit Act of 1959 (reference (r)). *
16. Administrative services provided by reference or reading rooms to inspect public records, excluding copies of records or documents furnished.
17. Requests for military locator service by financial organizations that are located on DoD installations.
18. Requests for military locator service by financial organizations that are engaged in the direct deposit program and that are not located on DoD installations. Requests for an address of record shall include the following:
 - a. A statement that the financial organization is listed as a direct deposit recipient in the current U.S. Treasury Bureau of Accounts, "Financial Organizations Directory."
 - b. A statement that the individual, whose address is being requested, has his or her pay forwarded as a direct deposit by a DoD disbursing officer.
 - c. The individual's financial organization's account number.

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19. Services rendered in response to requests for classification review of DoD classified records, submitted under E.O. 12065 (reference (s)), and implemented by DoD 5200.1-R (reference (t)). Such services consist of the work performed in conducting the classification review or in granting and completing an appeal from a denial of declassification following such review.

20. Services of a humanitarian nature performed in such emergency situations as life-saving transportation for non-U.S. Armed Forces patients, search and rescue operations, and airlift of personnel and supplies to a disaster site. This does not mean that inter- and intra-Governmental agreements to recover all or part of costs should not be negotiated. Rather, it means the recipient or beneficiary will not be assessed a "user charge."