

14 MAY 1987

ROUTING SLIP

AL	ACTION	INFO	INT
BMO	✓	✓	
DBMO		✓	[Signature]
DIR, ADMIN	Return ✓		elm
DIR, OPS			
DIR, M&R			
DIR, UTIL			
OTHER	F+A	lm	38
SECRETARY			

COMMENTS:

Hilma - Mr. Marcal does not object may does he give it strong support. n/r
Cal J

THE YAM 3



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UNITED STATES MARINE CORPS
Marine Corps Base
Camp Lejeune, North Carolina 28542-5001

11800
COMP
13 May 87

From: Assistant Chief of Staff, Comptroller, Marine Corps Base,
Camp Lejeune
To: Assistant Chief of Staff, Base Operational Support Management
Assistance, Marine Corps Base, Camp Lejeune
Subj: MODEL INSTALLATION PROGRAM PROPOSAL NO. 87-CLNC-077-FAC/COMP
CHANGING CAROLINA POWER & LIGHT COMPANY'S METER READING DATE
Ref: (a) AC/S, BOSMA Memo 11800 BOSMA dtd 22 Apr 87
Encl: (1) NAVCOMPT 022083

1. As requested by reference (a), the subject proposal has been reviewed. The proposal makes a very good case for obligating funds for utility bills when the bill is received instead of at the time the utilities are consumed. This procedure would allow sufficient time for meter reading and subsequent billing especially during the month of September prior to the fiscal year closeout. I understand fully the benefits associated with adopting this proposal, however enclosure (1) highlights an important accounting precept regarding the allocation of costs for fiscal year appropriations. That is, charges are to be applied to the appropriation of the fiscal year in which the obligation is created. Unfortunately, the subject proposal violates this precept and it is my opinion that a waiver would require support at HQMC and a change to congressional legislation. Informal contact with HQMC Accounting Division indicates that the proposal could not be supported not only because it violates the congressional intent of an annual appropriation but that there are other utilities/contracts equally difficult to estimate at year-end.

2. As noted in the proposal, this command currently employs a method for identifying utility costs at year-end whereby the Carolina Power and Light Company (CP&L) is requested to make a special meter reading late in September (usually on the 28th, 29th or 30th) so that essentially all of the month's utility costs may be charged against the appropriation authorized for that period. In fact, an informal agreement was recently made with CP&L which calls for this special meter reading to be made in September on a date specified by the Base Maintenance Officer. The procedure we employ is not simple and requires cooperation among several key people during the hectic close-out process. However, it does provide for charging utility costs to the appropriation specified for the period and it has been consistently applied and factored into the budget base for the command. Obviously we can manage under current procedures although the proposal would give the command more flexibility at year-end.

UNITED STATES MARINE CORPS
14 Marine Corps Base
Camp Lejeune, North Carolina 28542-5001

11-00
COMB
13 May 87

From: Assistant Chief of Staff, Comptroller, Marine Corps Base
Camp Lejeune
Box: Assistant Chief of Staff, Base Operations Support Management
Assessments, Marine Corps Base, Camp Lejeune
Subject: MODAL INSTALLATION PROGRAM PROGRESS, 14-MARINE-CORPS
CHANGING CAROLINA POWER & LIGHT COMPANY'S NEXUS READING DATA
Re: (A) ACR, POSMA Memo 11888 POSMA 87 21 14087
Info: (B) NAVCOMPT 012887

The subject of this report is the progress of the Modal Installation Program (MIP) at Camp Lejeune. The program is designed to modernize the power and lighting infrastructure of the base. The report covers the progress of the program from the start of the fiscal year to the end of the fiscal year. The program is being implemented in three phases. The first phase is the design and construction of the power and lighting infrastructure. The second phase is the installation of the infrastructure. The third phase is the testing and commissioning of the infrastructure. The progress of the program is being monitored by the Assistant Chief of Staff, Comptroller, and the Assistant Chief of Staff, Base Operations Support Management. The report provides a detailed description of the progress of the program and the challenges that have been encountered. The report also provides recommendations for the future of the program.

The progress of the program has been satisfactory. The design and construction of the power and lighting infrastructure is well advanced. The installation of the infrastructure is also well advanced. The testing and commissioning of the infrastructure is currently underway. The challenges that have been encountered are related to the complexity of the program and the limited resources available. The recommendations for the future of the program are to continue to monitor the progress of the program and to address the challenges that have been encountered. The report concludes that the program is on track and that the power and lighting infrastructure of the base will be modernized by the end of the fiscal year.

Subj: MODEL INSTALLATION PROGRAM PROPOSAL NO. 87-CLNC-077-FAC/COMP
CHANGING CAROLINA POWER & LIGHT COMPANY'S METER READING DATE

3. I have no objection to requesting a waiver, although as indicated above, approval is unlikely.

A. K. MAREADY

Copy to:
BMaintO

THIS MODEL IS A LIAISON PROGRAM PROPOSED FOR BY-ONE-TO-ONE
CHANGING CURRENTS FROM A NIGHT TO DAYTIME READING DATE

I have no objection to requesting a waiver, although as indicated
above approval is unlikely.

A. N. HAREBY

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022083 FISCAL YEAR CHARGEABLE

reimbursed by the appropriation and subhead chargeable for the travel. Such reimbursement transactions are effected at the headquarters level; this precludes the transfer of the charges for the ocean transportation to the overseas activity. As a result, the actual sharing of costs of transportation of household goods from overseas activities is divided as follows:

- 1. packing, crating, unpacking, local hauling (by contract)—chargeable to activity funding travel;
- 2. packing, crating, unpacking, local hauling (by station forces)—absorbed by funding source which normally supports the work;
- 3. ocean transportation (by Government bill of lading)—charged by MSC to Navy Management Fund and ultimately to the office, bureau, or command which administers the subhead funding the travel (i.e., the major claimant or subclaimant which issues an operating budget to the overseas activity);
- 4. ocean transportation (when not made by Government bill of lading)—reimbursement to employee by the acquiring or losing activity as delineated in this subparagraph.

In those instances where over-water movement at Government expense, of privately owned motor vehicles of civilian employees is authorized under the criteria stated in the Joint Travel Regulations, pars. C11002 through C11004, the funding assignments are identical with those prescribed for household goods.

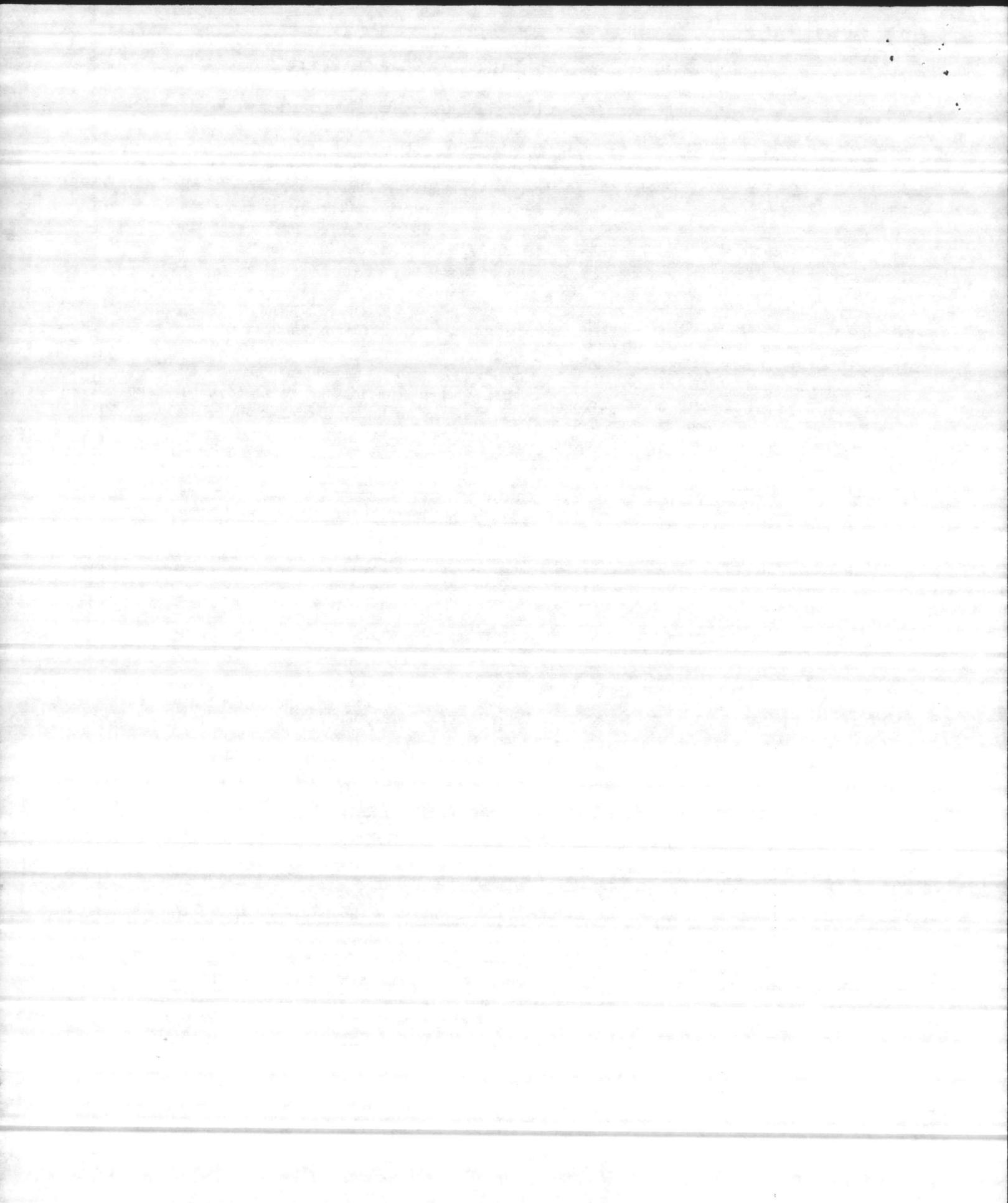
(4) Local Moves. When the assignment, reassignment, or termination of assignment of civilian personnel to family housing is not in conjunction with the principal's transfer of official duty station, the costs of handling household goods will be funded in accordance with the funding provisions of subparagraph 4 J.

f. Morale Support Activity and Red Cross Personnel. Household goods of those civilian employees of Navy and Marine Corps morale support activities (exchanges, clubs, messes, etc.) who are paid from nonappropriated funds and of personnel of the American Red Cross may not be transported or handled if a cost would be incurred against appropriated funds in the performance of such services.

1. GENERAL RULE. Charges are made to the appropriation of the fiscal year in which the obligation is created subject to the restrictions of par. 022082-2. Ordinarily, obligations may be created only by contracts entered into, project orders issued, services performed, or material issued during the fiscal year. The following subparagraphs contain specific applications and certain approved deviations from the general rule.

2. MODIFICATION OF CONTRACTS AFTER FUNDS HAVE EXPIRED FOR OBLIGATION PURPOSES. An increase in a contract price occasioned by a modification of, or an amendment to, an existing contract when such modification or amendment is within the scope of the contract, does not involve new procurements, and is made before its completion, is a proper charge against the appropriation obligated in the original contract even though such amendment or modification is made after such appropriation has expired for purposes of obligation. Any such amendment or modification, being within the scope of the original contract, is considered as relating back to the date of the original contract insofar as obligation of funds is concerned. Obligating documents for amendments within the scope of a contract applicable to a lapsed appropriation will cite the successor appropriation account (see par. 022203).

3. METERED AND FIXED PERIOD CHARGES. When the quantity of services for which payment is to be made is determined by metered readings (such as for gas, electricity, water, and steam) or when payment is to be made for telephone service (including toll charges, teletype, and leased wires for transmission of vocal messages) and the period covered by the charge begins in 1 fiscal year and ends in another, the entire amount may be charged against the appropriation current at the end of the period (Act of April 27, 1937 (50 Stat. 119) as amended (31 U.S. Code 668a)). Activities may prorate charges between 2 fiscal years or, as previously indicated, they may elect to charge the appropriation current at the end of the period. To insure consistency in budgeting and accounting, activities should select one method or the other and maintain that method in succeeding fiscal years.



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APR 22 1987

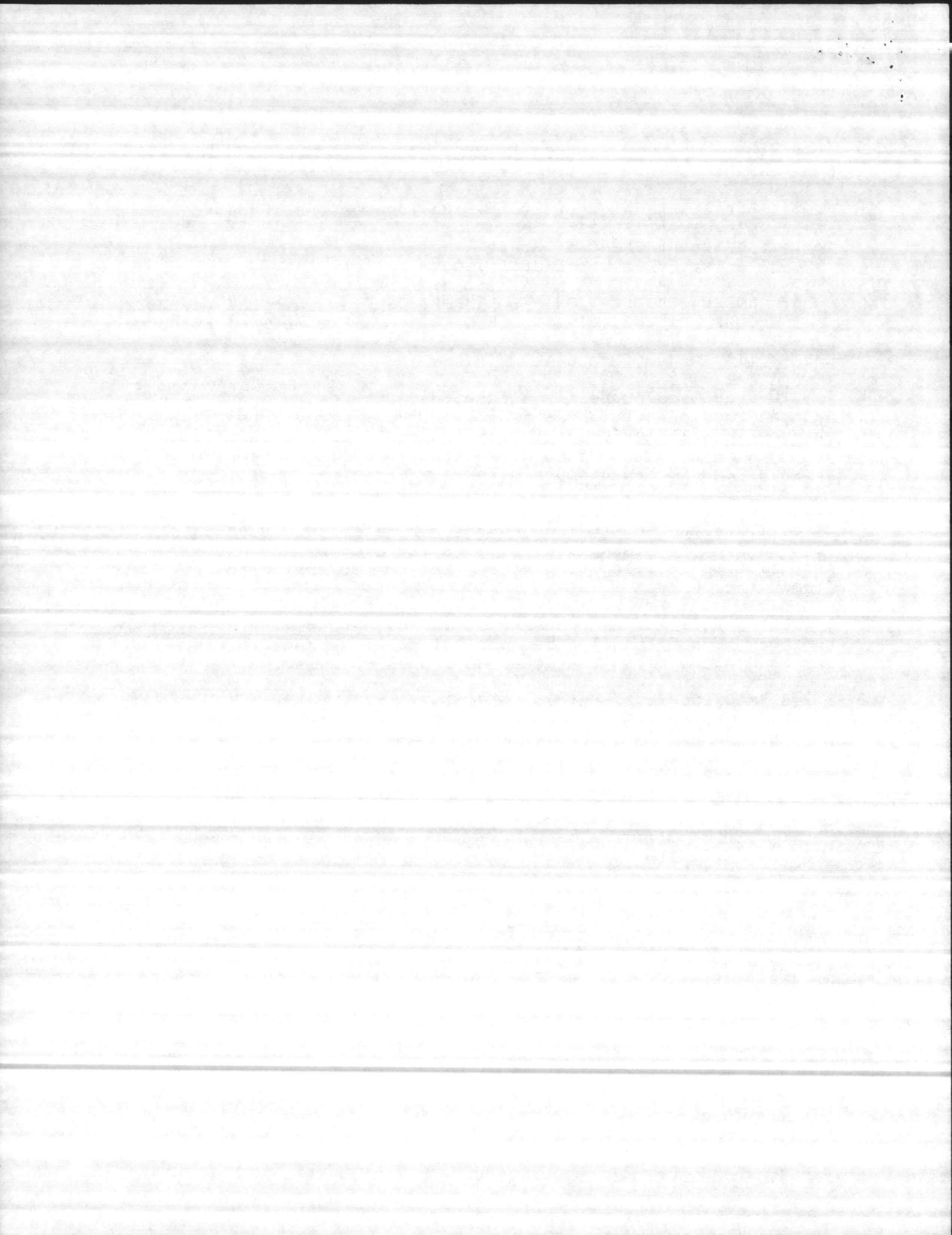
MEMORANDUM

From: Assistant Chief of Staff, Base Operational Support
Management Assistance
To: Assistant Chief of Staff, Facilities
Assistant Chief of Staff, Comptroller
Subj: MODEL INSTALLATION PROGRAM PROPOSAL NO. 87-CLNC-077-FAC/
COMP, PAYING UTILITY BILLS WITH CURRENT MONTHS' FUNDS

Encl: (1) Subject Proposal

1. The enclosed proposal is forwarded for review and comment. Request recommendation for approval or disapproval be returned to this office with an excerpt from the applicable directive within ten working days from date of receipt. Recommendation for disapproval should be accompanied by a written rationale.
2. This office will forward proposals recommended for approval directly to the Commanding General for decision. Proposals recommended for disapproval will be reviewed by the Model Installation Steering Committee prior to forwarding to the Commanding General.
3. It is recommended that any other Marine Corps Base department that may be affected by the approval or disapproval of the enclosed proposal be contacted during your review.
4. BOSMAD POC is D. Martin, 5521/1577.


H. F. SMITH



Memorandum

DATE: 10 April 1987

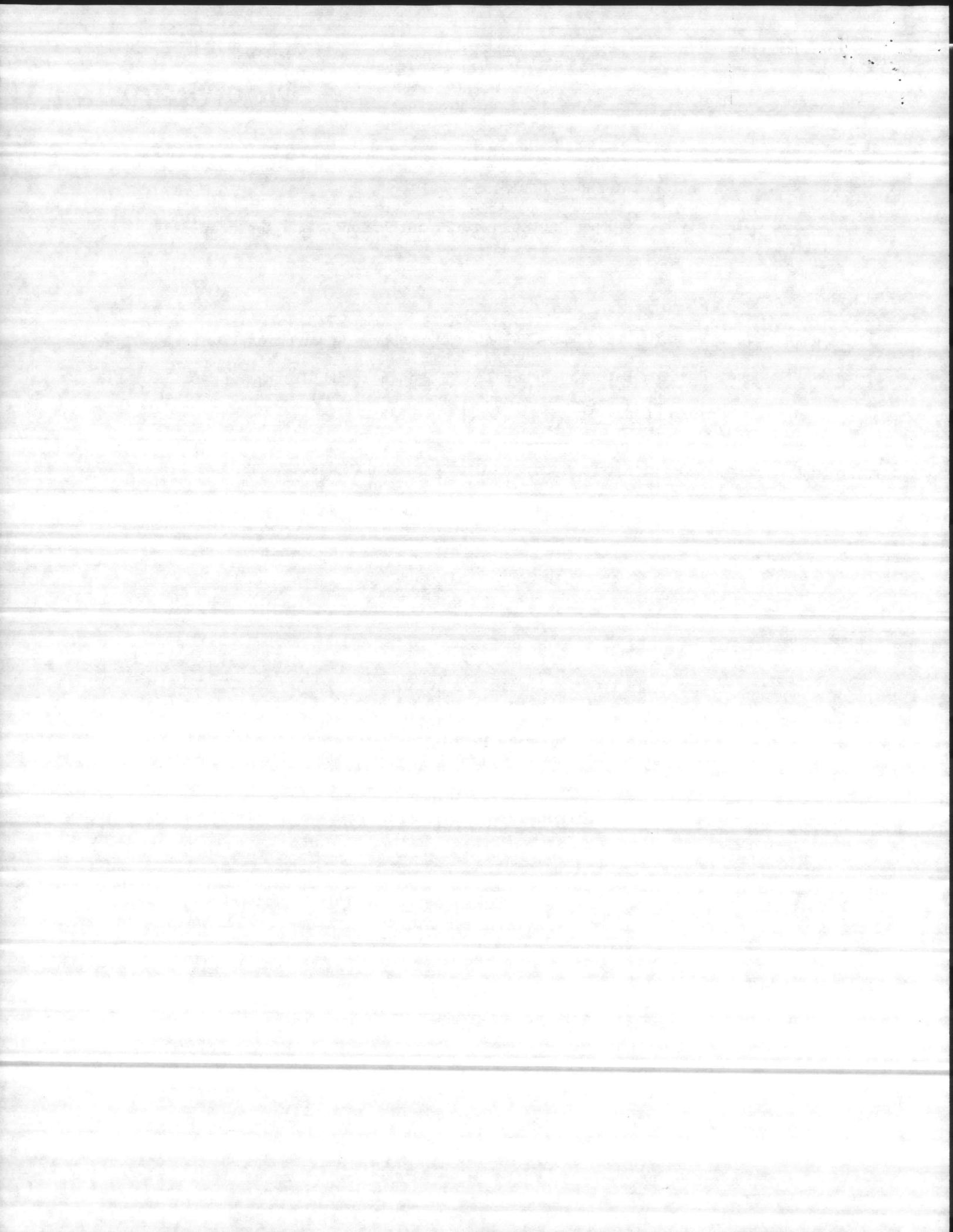
FROM: Hilma J. Mills, Base Maintenance Division

TO: Assistant Chief of Staff, Base Operational Support Management Assistance

SUBJ: Model Installation Program Proposal

It is requested that MIP #87-CLNC-054-FAC/COMP, Changing Carolina Power and Light Company's Meter Reading Date, be cancelled. The enclosed MIP, Paying Utility Bills with Current Month's Funds, is a replacement for #054

ENCL (1)





MODEL INSTALLATION PROGRAM

PROPOSAL

MARINE CORPS BASE CAMP LEJEUNE

**INSTRUCTIONS:**

1. COMPLETE ALL INFORMATION REQUESTED.
2. PLEASE PRINT OR TYPE LEGIBLY.
3. USE ADDITIONAL SHEETS IF NECESSARY.
4. FORWARD COMPLETED PROPOSAL TO AC/S, BOSMAD, MCB

DO NOT WRITE IN THIS SPACE

DATE RECEIVED

10 April 1987

TITLE OR SUBJECT OF PROPOSAL

PROPOSAL NUMBER

Paying Utility Bills with Current Months' Funds

87-CLNC-077-FAC/Comp

NAME, TITLE, GRADE/RANK OF SUBMITTER(S)

PHONE

Hilma J. Mills, Utilities Appraisal Assistant, GS-7 Base Maintenance Div

451-5330

CURRENT PROCEDURE

Electricity used in September each year is paid for with September funds. Meters are scheduled to be read September 30th or thereabouts and bills are received October 8th. Electricity costs \$16,000,000 per year and is the largest single item in the Base Maintenance budget. Many year-end expenditures hinge on the cost of electricity for September, which is approximately \$1,500,000. If funds are short and we expect to need meters read early, our Base Maintenance personnel reads them early and frequently, we monitor usage, make estimates and adjust obligations accordingly. If adequate funds are available, we wait until nearer the end of September to read the meters, make estimates and adjust obligations. In either case, we negotiate with Carolina Power and Light Company to establish a year-end meter reading date. Continued page 2

PROPOSED PROCEDURE (If a directive/order must be waived to implement proposal-Identify the specific reference.)

Waive the requirement of Marine Corps Order P7300.8D so that funds for utilities (electricity and propane gas) can be obligated when the bill is received instead of the same fiscal period the utility is received or consumed. Funds for utilities consumed in July under this proposal would be obligated in August. (Bills at Camp Lejeune are usually received the 8th of the following month). Funds for utilities consumed in August would be obligated in September; etc. In the fiscal year this method of obligating for utility consumption begins, funds for only 11 months' consumption will be obligated; however, in succeeding years, each fiscal year's funds will be obligated for the full 12 months. The only fiscal year cross-over will occur in October when funds are obligated for September utility usage. The cost to provide utilities cont. page 2

BENEFITS/ADVANTAGES When bills are received from CP&L on the 8th of September, Comptroller will have approximately 3 weeks to determine usage of remaining funds for goods and services that we can control costs on. We would have 11 months of data for FY87 or whatever year this method begins; thereafter we would have 12 months of actual cost for budgeting, instead of 11 3/4 months one year and 12 1/4 the next year, plus a proration to increase or decrease each year to 12 months. All the time and money required by the 12 or more people involved in this process of telephone discussions, calculating, estimating, planning, waiting and worrying each year could be saved and the stress would be eliminated, which would allow time for better planning and a much less hectic fiscal year close-out. Housing would have an actual figure on cost of electricity in Tarawa Terrace, by month and year, rather than never knowing cont. page 2

I (WE) UNDERSTAND THAT THE ACCEPTANCE OF A CASH AWARD FOR THE USE OF THIS PROPOSAL BY THE UNITED STATES GOVERNMENT SHALL NOT FORM THE BASIS OF A FURTHER CLAIM OF ANY NATURE UPON THE UNITED STATES BY ME (US), MY (OUR) HEIRS, OR ASSIGNS.

Hilma J. Mills 4-10-87

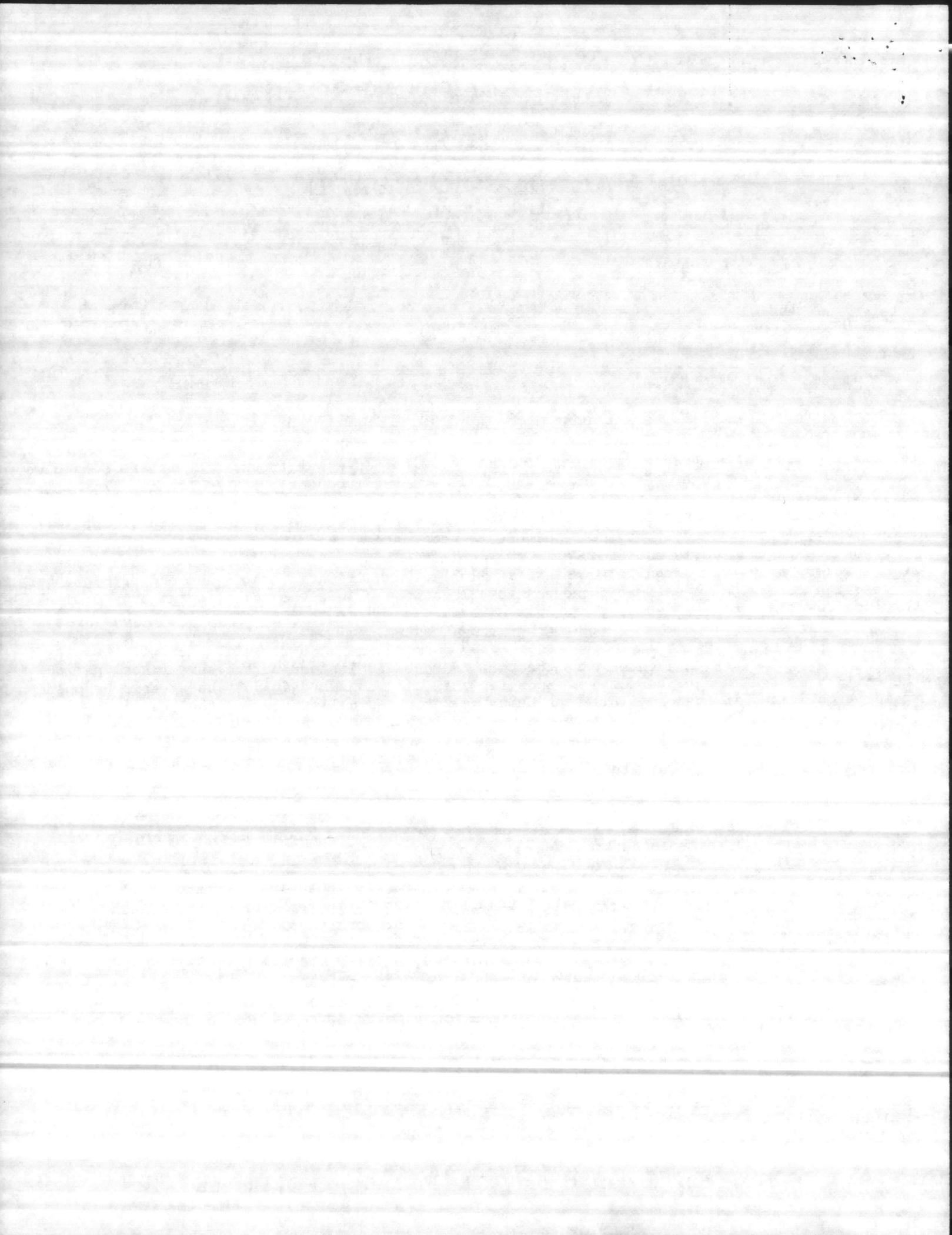
(SIGNATURE AND DATE)

(SIGNATURE AND DATE)

MODEL INSTALLATION PROPOSAL

MCBCL 11800

Excellent Installations — The Foundation Of Defense



Current Procedure cont.

If a decision is made on September 20th, for example, to have Carolina Power and Light Company read meters on September 25th, a change in weather can cause such an impact on usage and demand that the projection made on the 20th is completely out of line. Further, all projections made from on-site meter readings have wide margins for error, because readings do not indicate on-peak, off-peak usage, exact demands at Hadnot Point and Geiger, demands at Tarawa Terrace when Hadnot Point peaks or usage by commercial customers at Tarawa Terrace, all of which are used to determine cost. The estimates, projections and negotiations involve the Base Comptroller and several people in his office and the fiscal office, Base Maintenance Officer, Deputy Maintenance Officer, Administrative Officer, Supervisory Budget Analyst and me, as well as Carolina Power and Light Company's Industrial Power Engineer and several people in their accounting office. In addition, an estimated amount is billed to Base Housing each month for Tarawa Terrace, because actual usage for the month is not known until bills are received. An adjustment is made each month to change last month's estimate to actual, so Housing does not know correct usage for any month. Housing is also billed for previous month's usage for street lighting at Knox Trailer Park, and Hadnot Point Commissary is billed for previous month's usage for parking area lights. Marine Corps Exchange is billed for electricity used by vending machines during previous month. All reimbursable customers are billed for propane gas delivered previous month and Dependent Schools are billed for water and sewage based on population for previous month.

Proposed Procedure cont.

to the Base will be exactly the same and method of obligating funds will be simplified one hundred-fold. Request waiver also apply to reimbursable customers so they can be billed for all utilities in the same manner.

Benefits/Advantages cont./

what they are paying for any month or year. Paying suppliers each month for previous month's utility usage and billing all reimbursable customers for previous month's usage would allow us to be consistent in billing all utilities to customers-- in the same manner that residences are billed. It would also enable us to bill actual usage for September in FY88 and thereafter as early as necessary for year-end closeout, which would save the time and money presently required to estimate and adjust in September and October.

