



**DEPARTMENT OF THE NAVY**  
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CNICINST 11103.7  
N9

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CNIC INSTRUCTION 11103.7

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 (FMRS)," Volumes 1-15 date  
varies per volume  
(d) DOD 4165.63-M, DOD Housing Management, 30 Sep 1993  
(e) Title 10, U.S.C. 2821-2837  
(f) OMB Circular A-45  
(g) CNIC Guidance FH,N Collections & Reimbursements Ser  
CNIC N8/014 21 Mar 2006

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

1. Purpose. This instruction is issued to provide general guidance and financial policy for the preparation of the Planning, Programming, and Budget materials for the Family Housing Operations and Maintenance (FH, N O&M) and Bachelor Housing (BH) Quarters Operations (QO) portion of the housing program.

2. Cancellation. CNICINST 5009.7

3. Scope. This instruction applies to 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 the Congress, the Department of Defense (DOD), the Secretary of the Navy (SECNAV), and Chief of Naval Operations (CNO) guidance, contained in references (a) through (g).

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4. Discussion. To maximize efficiency and effectiveness of the Navy Housing Program, property ownership and management may be the responsibility of the Navy, through Public Private Venture (PPV). Housing options are offered to Sailors 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.

5. General Policy

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

b. All housing properties are to be managed in accordance with all DoD and Department of the Navy (DON) imposed cost limitations and budgets, along with a prudent landlord concept (i.e., would a landlord in the private community carry out the proposed action?). This policy applies to:

(1) Appropriated funding for BH 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.

6. Financial Management Policy. The Planning, Programming, Budgeting and Execution System (PPBES) 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 Capability Performance Levels (CPLs).

7. Responsibility

a. Commander, Navy Installations Command (CNIC) Comptroller (N8) shall:

- (1) Coordinate budget review.
- (2) Develop and publish annual housing budget guidance.
- (3) Validate, review, and submit annual FMB, OSD, and Congressional budget submissions.
- (4) Allocate funding.
- (5) Monitor fund status and execution.

b. CNIC Fleet and Family Readiness Director shall:

- (1) Oversee all housing privatization programs.
- (2) Review, revise, and approve policy instructions.
- (3) Review and validate Regional Budget Submissions.
- (4) Monitor fund status and execution.
- (5) Conduct analyses of housing operations and management.
- (6) Audit community support programs.
- (7) Grant exceptions to policy, where warranted.
- (8) Ensure program oversight processes are in place to protect the interests of the Navy.
- (9) Recommend distribution and use of FH,N and QO funding.

c. Regional Housing Authority shall:

- (1) Coordinate, review, validate, and submit annually to CNIC their respective Program Objective Memorandum (POM)/Program Review (PR) submission.
- (2) Monitor fund status and execution.

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(3) Review and submit to CNIC all Congressional notifications to include out-of-cycle and emergent safety-related Congressional submissions.

(4) Review quarterly and year-end cost reports and submit to the Regional Comptroller (N8).

(5) Provide technical program expertise and support to Installation and/or Regional personnel.

(6) Recommend distribution and use of FH,N and QO funding to Regional Comptroller (N8).

(7) Coordinate, review, validate, and submit to CNIC a well documented mid-year review and year-end review.

d. Installation Housing Authority shall:

(1) Ensure the development and submission of 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, 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 Regional 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 Regional Commander. Emergent or safety-related items include but are not limited to: natural disaster damage, unforeseen component failure, flooding or fire.

(4) For government owned and PPV General and Flag Officer Quarters (GFOQs), ensure the accurate preparation of individual quarterly and annual cost reports. Provide quarterly summary costs and other information to G&FOQ residents for individual review. Coordinate review and concurrence with their respective CNIC comptroller. Forward cost reports, via the Region, to CNIC.

(5) Carry out financial management policy and procedures.

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

(7) Ensure validity and accuracy of housing requirements documentation.

(8) Review and analyze housing financial programs to include:

(a) Establishing, collecting and maintaining cost/performance data.

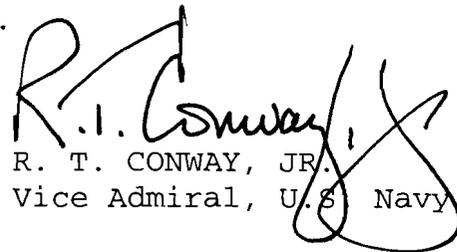
(b) Ensuring validity of charges and accurate measurements of performance for housing regardless of degree of responsibility.

(c) Monitoring fund status and execution.

(d) Recommending the distribution and use of FH,N and QO funding.

(e) Ensuring cost-effective and efficient use of resources.

8. Action. Implement as directed.

  
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## **Financial Management Guidelines for Navy-owned or Controlled Family Housing**

1. Principles. The Family Housing (FH) program is funded annually in the Military Construction Authorization and Appropriations Acts. 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 three elements: privately-owned family housing, Family Housing Property Account, and management functions for family housing.

(1) For privately-owned housing, assistance is provided to military and DoD civilian personnel to include housing referral services, government leasing of private housing, and rental guarantee payments.

(2) The Family Housing Property Account is a record of all DoD-owned or controlled 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.

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

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

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

(d) 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.

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

c. The FH,N account is divided into two financial sub-accounts, based on the life cycle of the funding:

(1) Multiyear funds (5 years) for construction, improvements and design.

(2) Annual funds that expire on 30 September each year, and used for operations, utilities, maintenance including major repair, leasing.

3. Special Interest Codes (SIC). Financial sub-accounts are subdivided into Budget Projects (BPs) for funding and management control of specific family housing programs. Funds described in the following sub-accounts 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 BP.

a. The Construction Sub-Account includes the following SICs:

- (1) SIC 10. New Construction
- (2) SIC 31. Improvements
- (3) SIC 40. Design for New Facilities
- (4) SIC 41. Design for Improvements

b. The Operations and Maintenance Sub-Account includes the following SICs:

- (1) SIC 10. Services
- (2) SIC 11. Management of Family Housing
- (3) SIC 12. Utilities
- (4) SIC 13. PPV Support Costs

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- (5) SIC 14. Furnishings
- (6) SIC 15. Leasing
- (7) SIC 16. Miscellaneous
- (8) SIC 20. Maintenance
- (9) SIC 22. Major Repair
- (10) SIC 23. Quarters cleaning

4. Cost Accounts. The housing budget is prepared electronically by the Installation/Region. Projected 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.

5. 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 major M&R 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.

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**Bachelor Housing Quarters Operations (QO)**

1. General. The operation of Bachelor Housing (BH) is funded as part of the Military Appropriations, Navy Base Operating Support (BOS) funds, Quarters Operations (QO) Special Interest Item (SII). BH Operations includes permanent party, dormitories, recruit berthing, and leased quarters. The QO SII also covers labor and support provided for BH Public Private Venture (PPV) proposals and agreements. It does not cover the operational expenses of BH 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 SII 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 Bachelor Housing. The QO SII is comprised of sub-functions and cost account codes (CAC) that are used for programming and execution of the QO account. For detailed sub-function and corresponding CAC descriptions for the current fiscal year, consult the Commander, Navy Installations Command (CNIC) Installation Managerial Accounting Project (IMAP).

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

- BH Operations
- BH FF&E
- BH PPV
- Dorms Operations
- Dorms FF&E

b. Component Descriptions. Each sub-function is defined by a series of CACs that are used for programming and execution of the QO account. The CACs under each sub-function have specific correlations to the allocations of funds. The following is an abbreviated list of available CACs. Consult the IMAP for the appropriate fiscal year information.

- Building Management
- Training and Travel
- Labor and Staffing
- Common Area (Custodial Services)

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- Contracted Operations
- FF&E Replacement and Refurbishment
- FF&E New Construction and Replacement
- Overseas Loaner Furnishings
- Linens
- Washer & Dryer Costs
- Consumables, Soft Goods, & Equipment
- PPV BH Labor & Support
- Other Direct Costs