

§ 812.7

32 CFR Ch. VII (7-1-98 Edition)

within the definition and determination of total costs:

(1) Civilian salaries or wages and associated Air Force share of fringe expenses. Use predetermined rates in AFR 173-10, paragraph 2-33, as the basis for assessing charges.

(2) Military personnel costs and associated Air Force share of fringe expenses. The rates to be charged and the basis for charging DOD, non-DOD Federal, and non-Federal agencies are in AFR 177-101, General Accounting and Financial System at Base Level, chapter 33.

(3) Costs for materials, supplies, travel, communications, utilities, equipment and property rental, and maintenance of property and equipment.

(4) An asset use charge at 4 percent of direct costs to cover depreciation and interest on investment in DOD owned fixed assets.

(5) Costs of research, and of establishing standards and regulations when directly associated with the service performed.

(6) An administrative surcharge at 3 percent of total costs § 812.6(b)(1) through (5) to cover general and administrative costs.

§ 812.7 Charges for lease or sale of property.

When Federally owned property or resources are leased or sold, assess a rental cost or sales price based on a determination of fair market value. Determine fair market value by applying sound business management principles in accordance with comparable commercial practices. Charges need not be limited to recovery of costs; they may produce net revenues to the Government.

(a) *Sale of Material.* In the absence of a known market value, determine the fair value for sale of material on the basis of an aggregate of the:

(1) Standard price of the item carried in inventory (or at a reduced price when so authorized for sale within DOD).

(2) Accessorial and administrative costs provide in AFR 172-5, Reimbursement for Accessorial and Administrative Costs.

(b) *Lease or Rental of Property.* Fair market value for lease or rental of

property is normally determined according to commercial rates for similar property in the local geographical area.

(1) In cases involving lease or rental of military equipment, where there is no commercial counterpart, base fair market value on a computation of an annual rent made up of the sum of annual depreciation and interest on investment. Determine amount of interest on investment by applying a 10 percent interest factor to the net book value (acquisition cost plus additions less depreciation) of the asset. Add the cost of support, including general and administrative expenses, if support is furnished.

(2) In determining the fair market value of property to be leased, consider the degree lessee assumes risk of loss or damage to the property and holds the Government harmless against claims or liability by the lessee or third parties.

§ 812.8 Processing collections.

(a) Dispose of receipts per existing instructions.

(b) Normally, collect charges and fees in advance or at the time service is rendered. However, when multiple requests for services are received on a continuing basis from reliable requesters, services may be performed on an account receivable basis (that is, recording an account receivable when the service is provided, with subsequent billing of the organization requesting the service).

(c) Normally, deposit fees and charges collected to the appropriate receipt account. However, when authorized by law or Air Force directives, deposit fees and charges collected to the credit of the appropriation or fund responsible for the principle financial support of the services. Deposit collections in excess of recovery of full costs to the appropriate receipt account. Deposit collections for utilities and services in connection with the lease of property to the appropriation or fund responsible for financing the operations of the equipment and facility.

§ 812.9 Accounting and control.

(a) Activities providing special benefits or leasing and selling property

must make sure user charges imposed are in accordance with this directive. Request revisions, through appropriate OPR channels, when rate and fee schedules included in functional area regulations do not appear adequate in view of current experience. When charges are determined locally, give special attention to ensure compliance with this part.

(b) Activities generating user charge transactions furnish the accounting and finance office (AFO) all pertinent information necessary to voucher, collect, and otherwise account for each user charge being imposed. AFOs or their designees verify the accuracy and completeness of documentation supporting each user charge transaction. AFOs or designees also periodically review records, documentation, and procedures to ensure compliance with this part. An effective working relationship must be maintained between the AFO and activities generating user charge transactions.

§ 812.10 Conflicts or recommendations.

If this part conflicts with other parts or law, or otherwise appears to require modification, submit recommendations to AFAFC/XSGB, Denver CO 80279.

Subpart B—Specialized or Technical Services Provided to State and Local Government

§ 812.11 Air Force policy.

Air Force activities should cooperate fully with State and local units of government to provide any specialized or technical services authorized. Such services generally supplement but do not take the place of existing services. The Air Force will consider providing the services which are not reasonably and readily available through ordinary business channels.

§ 812.12 Explanation of terms.

For purposes of this part, DOD has provided these explanations:

(a) *State* means any State in the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but not the gov-

ernments of the political subdivisions of a State.

(b) The terms *political subdivision* or *local government* means a local unit of government, including specifically a county, municipality, city, town, township, or a school or other special district created by or under State law, or combinations of any of these.

(c) *Specialized or technical services* means statistical and other studies and compilations, development projects, technical test and evaluations, technical information, training activities, surveys, reports, documents, and any other similar service functions which the Air Force is especially equipped and authorized by law to perform.

§ 812.13 Background.

Title III of the Intergovernmental Cooperation Act of 1968:

(a) Encourages intergovernmental cooperation in providing specialized or technical services to State and local governmental activities.

(b) Enables State and local governments to avoid unnecessary duplication of special service functions.

(c) Authorizes the Air Force to provide reimbursable specialized and technical services described in § 812.4 under conditions detailed in § 812.5 of this part.

§ 812.14 Types of services.

(a) Air Force activities may provide the following specialized or technical services and related facilities:

(1) *Specialized Services Required by Air Force.* Any existing statistical or other studies and compilations, results of technical tests and evaluations, technical information, surveys, reports, and documents, and any such materials which may be developed or prepared in the future to meet the needs of the Air Force or to carry out its normal program responsibilities. Examples: The testing of high octane gas, and studies involving sound repression made by the Air Force.

(2) *Specialized Services Similar to Those Required by Air Force.* Preparation of statistical or other studies and compilations, technical tests and evaluations, technical information, surveys, reports, and documents, and assistance in the conduct of such activities and in