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CNIC MANUAL 11103.4 CHANGE TRANSMITTAL 1

From: Commander, Navy Installations Command

Subj: MANAGEMENT AND OVERSIGHT OF NAVY OWNED LEASED AND
PRIVATIZED GENERAL AND FLAG OFFICER QUARTERS

Ref: (f) SECNAVINST 11101.73C
(o) CNIC M-11103.1 CH-1

Encl: (1) Revised Page ii
(2) Revised Page iii
(3) Revised Pages 1-1 through 1-6
(4) Revised Page 2-2
(5) Revised Pages 3-1 through 3-4
(6) Revised Pages 5-2 through 5-5
(7) Revised Page 6-3
(8) Revised Page A-1
(9) Revised Page B-2
(10) Revised Page F-1
(11) Revised Pages G-1 through G-5

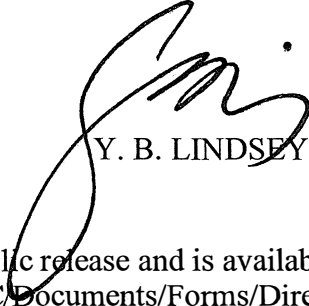
1. Purpose. To transmit revised content in manual, which provides clarification and guidance on approval authorities for extensions in quarters, cost reports, after-the-fact notifications and re-designations of quarters from General and Flag Officer Quarters to Senior Officer Quarters and vice versa. Revised content in Appendix A includes updated references (f) and (o).

2. Action. Replace affected pages of the basic manual with enclosures (1) through (11) of this change transmittal.

3. Records Management

a. Records created as a result of this instruction, regardless of format or media, must be maintained and dispositioned per the records disposition schedules located on the Department of the Navy Assistant for Administration, Directives and Records Management Division portal page at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this instruction or the records disposition schedules, contact the local records manager or the OPNAV Records Management Program (DNS-16).



Y. B. LINDSEY

Releasability and distribution:

This change transmittal is cleared for public release and is available electronically only, via Gateway 2.0, <https://g2.cniv.navy.mil/CC/Documents/Forms/Directives%20Only.aspx>.



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15 May 2020

CNIC MANUAL 11103.4

From: Commander, Navy Installations Command

Subj: MANAGEMENT AND OVERSIGHT OF NAVY-OWNED OR LEASED AND
PRIVATIZED GENERAL AND FLAG OFFICER QUARTERS

Ref: See Appendix A

1. Purpose. To provide Navy policy regarding the assignment, management, oversight, furnishing and cost reporting for all housing assigned to General and Flag Officers and Department of Defense (DoD) civilian equivalents, per references (a) and (b). Reference (c) defines responsibility for the program management of General and Flag Officer quarters (GFOQ) within the Navy.
2. Cancellation. CNICINST 11103.3B CH-2.
3. Scope and Applicability. This manual applies to all Commander, Navy Installations Command (CNIC) headquarters, regions and installations.
4. Policy. This policy applies to the oversight, management, services, maintenance, repair and improvement of the dwelling, and includes government provided furnishings and associated grounds. GFOQs under the operational control of a Service are subject to the regulations and policies established by that Service; for example, Navy Flag Officer occupies Air Force quarters, Air Force policy applies. The management and oversight of GFOQs will comply with all policies and procedures contained in this manual. Per reference (d), privatized GFOQs are operated per the legal and binding business agreements under a limited liability company (LLC). Policies within this manual are in alignment with the business agreements; however, should a conflict be identified, the business agreements are the authoritative documents. The Navy's role is primarily one of oversight, while the managing member provides operational management. Navy policy cannot direct the managing member and must align with LLC business agreements. The Navy must not direct an LLC to perform outside of the business agreements, or the Navy may be held legally liable.
5. Responsibilities. Pursuant to reference (c), CNIC is the program manager for Navy-owned and leased GFOQs and is responsible for:
 - a. The management, control and oversight of GFOQs, to include development and coordination of Flag Officer quarters policy.

b. Submission of an annual report on operations and maintenance costs for GFOQs to the Secretary of the Navy (SECNAV) and Congress.

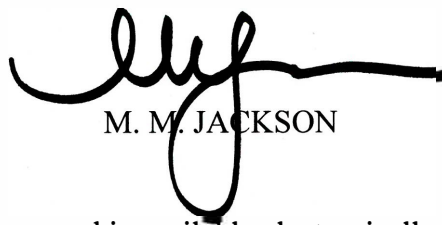
c. Granting exceptions or waivers to policy where authorized and warranted.

6. Records Management

a. Records created as a result of this manual, regardless of format or media, must be maintained and dispositioned for the standard subject identification codes 1000 through 13000 series per the records disposition schedules located on the Department of the Navy/Assistant for Administration (DON/AA), Directives and Records Management Division (DRMD), at <https://portal.secnav.navy.mil/orgs/DUSNM/DONAA/DRM/Records-and-Information-Management/Approved%20Record%20Schedules/Forms/AllItems.aspx>.

b. For questions concerning the management of records related to this manual or the records disposition schedules, please contact your local records manager or the DON/AA DRMD program office.

7. Review and Effective Date. Per OPNAVINST 5215.17A, CNIC (N93) will review this manual annually on the anniversary of its effective date to ensure applicability, currency, and consistency with Federal, Department of Defense, Secretary of the Navy, and Navy policy and statutory authority using OPNAV 5215/40, Review of Instruction. This manual will be in effect for 10 years unless revised or cancelled in the interim and will be reissued by the 10-year anniversary date if it still required, unless it meets one of the exceptions in OPNAVINST 5215.17A, paragraph 9. Otherwise, if the manual is no longer required, it will be processed for cancellation as soon as the need for cancellation is known following the guidance in OPNAV Manual 5215.1 of May 2016.



M. M. JACKSON

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Management and Oversight of Navy-Owned, Leased, and Privatized General and Flag Officer Quarters

TABLE OF CONTENTS

CHAPTER 1 GENERAL AND FLAG OFFICER QUARTERS PROGRAM OVERVIEW

0101	Scope.....	1-1
0102	Responsibilities.....	1-1

CHAPTER 2 OPERATING PROCEDURES FOR NAVY-OWNED OR LEASED GENERAL AND FLAG OFFICER QUARTERS

0201	Objective.....	2-1
0202	Procedures.....	2-1
0203	Quarterly Cost Reports.....	2-2

CHAPTER 3 MANAGEMENT OF NAVY-OWNED OR LEASED GENERAL AND FLAG OFFICER QUARTERS

0301	Discussion.....	3-1
0302	Delegation of Authority.....	3-1
0303	Funding, and Operation and Maintenance Budgets.....	3-1
0304	Eligibility.....	3-1
0305	Assignment to GFOQs and Billeted Quarters.....	3-2
0306	Termination of Assignment.....	3-3
0307	Exception to Policy Requests.....	3-4

CHAPTER 4 FUNDING CONTROLS FOR NAVY-OWNED OR LEASED GENERAL AND FLAG OFFICER QUARTERS

0401	General.....	4-1
0402	Tracking and Reporting GFOQ Costs.....	4-1
0403	When to Charge and Report Costs.....	4-4
0404	How to Charge Costs.....	4-4
0405	Cost Categories.....	4-4
0406	Reporting Requirements.....	4-6
0407	Limitations and Exceptions.....	4-6

CHAPTER 5 OPERATING PROCEDURES FOR PRIVATIZED GENERAL AND FLAG OFFICER QUARTERS

0501	Objective.....	5-1
0502	Overview.....	5-1
0503	Process and Procedures.....	5-1
0504	Furnishings.....	5-2
0505	Designations to and from GFOQs.....	5-2
0506	Budget.....	5-2
0507	Original Budget Exceeds \$50,000 (Including Utilities).....	5-3
0508	Quarters that Become GFOQs in Mid-Year.....	5-4
0509	Changes to the Approved Budget.....	5-4
0510	Navy Marine Corps Intranet Seat.....	5-5

CHAPTER 6 MANAGEMENT AND OVERSIGHT OF PRIVATIZED GENERAL AND FLAG OFFICER QUARTERS

0601	Discussion.....	6-1
0602	Delegation of Authority.....	6-1
0603	Funding, and Operations and Maintenance Budgets.....	6-1
0604	Eligibility.....	6-1
0605	Referral to Privatized GFOQs.....	6-2
0606	Extension After Transfer or Change of Command.....	6-2
0607	Exception to Policy Requests.....	6-3

CHAPTER 7 GENERAL AND FLAG OFFICER QUARTERS FURNISHINGS, TABLEWARE AND APPLIANCES SUPPORT

0701	Furnishings Support.....	7-1
0702	SCP Furnishings Support.....	7-1
0703	Supplemental Furnishings.....	7-1
0704	Furnishings for Unaccompanied Members Residing in Government-Controlled FH..	7-2
0705	Authorized Furnishings.....	7-2
0706	Furnishings Cost Limits for Navy-Owned and Leased GFOQs.....	7-3
0707	SCP or Tableware and Linen Allowances.....	7-4
0708	Furnishings and Tableware Accountability.....	7-5

APPENDICES

APPENDIX A	References.....	A-1
APPENDIX B	Glossary.....	B-1
APPENDIX C	Furnishings Allowances.....	C-1
APPENDIX D	Maintenance and Repair of Navy-Owned and Leased Quarters.....	D-1
APPENDIX E	Approval Authority or Chain for Requests Beyond Budget/Scope for General and Flag Officer Quarters.....	E-1
APPENDIX F	Navy Housing Special Command Positions.....	F-1
APPENDIX G	Sample Executive Home Cost Report.....	G-1
APPENDIX H	Sample Executive Home Justification for Exceeding the Budget.....	H-1
Note: This is a standard form used throughout the Navy and should not be modified or revised by NAVFAC or the Managing Member at the Region level.		
APPENDIX I	Sample Executive Home Year End Notification of Approved Budget or Budget Cap Exceedance.....	I-1

Note: This is a standard form used throughout the Navy and should not be modified or revised by NAVFAC or the Managing member at the Region level.

TABLES

Table 4-1	Tracking and Reporting M&R When Re-Designating GFOQs and SOQs.....	4-2
Table 4-2	Approval Authority or Chain for GFOQs.....	4-3
Table B-1	Acronym List.....	B-3

CHAPTER 1
GENERAL AND FLAG OFFICER QUARTERS PROGRAM OVERVIEW

0101. Scope. This manual provides guidance for Navy-owned, leased, and privatized homes occupied by officers of grade O-7 (including select) and higher. It describes unique, special policies, and controls applicable to this type of housing. It complies fully with the scope and intent of Congressional, DoD, and Navy guidance. Per reference (c), Navy-owned and leased quarters are defined as those being on the Navy family housing property account, or otherwise under Navy control. Refer to Appendix B for a listing of definitions and terms used in this chapter.

a. Housing units designated for General and Flag Officers are typically the highest cost family housing in the Navy inventory due to their age, size or historic status. As a result, this housing receives close scrutiny from the private and public sector due to the prominence of the residents. The Office of the Secretary of Defense (OSD) reviews an annual cost report of the operations, maintenance, repair, and improvements of Navy-owned and leased GFOQs and forwards it to Congress via the Office of the Assistant Secretary of the Navy, Energy, Installations and Environment (ASN (EI&E)).

b. The operation of most CONUS GFOQs, as well as those in Hawaii, have been turned over to Public Private Venture (PPV) Limited Liability Companies (LLC). The LLC consists of the managing member, the private company, and the member (Navy). Once privatized, these homes are referred to as privatized GFOQs or Executive Homes. Costs associated with all construction, improvements, operations, maintenance and repair of privatized GFOQs are funded as part of each LLC's operating budget. Privatized GFOQs are not under direct Navy management. They are owned and operated by the managing member per established business agreements.

c. Per reference (e), GFOQs must be managed using enterprise Military Housing (eMH). eMH is the established authoritative source for housing and is required to be used for all DoD Housing operations.

0102. Responsibilities

a. CNIC will:

(1) Review and approve design, floor plans, and final construction plans for any new GFOQs.

(2) For government-owned or leased GFOQs:

(a) Approve or disapprove requests for exceptions to policies established by this manual. Consistent with the provisions of reference (f), CNIC will not act on requests involving quarters assigned to CNIC or assigned to an individual of an equal or more senior rank. All such requests will be forwarded to Vice Chief of Naval Operations (VCNO) for decision. This

includes budget/scope requests not identified in the approved budget for the current fiscal year. This consists of furnishings requests that exceed the list of approved allowances detailed in Appendix C in either category, item description, quantity, unplanned maintenance, unplanned repair items, or improvements not specifically programmed and approved in the current fiscal year budget.

(b) Develop and publish annual GFOQ budget guidance.

(c) Technically validate, review, and submit annually to the Office of Financial Management and Budget the required Congressional budget submissions, which will conform to the CNIC Six-Year Maintenance Plans (SYMP) and will ensure the most cost-effective options for execution have been incorporated.

(d) Coordinate, review, and submit to ASN (EI&E) all Congressional notifications, including the annual GFOQ operations and maintenance report.

(e) Per reference (f), paragraph 1.f., review out-of-cycle Congressional submissions for emergent and safety-related requirements, and submit to ASN (EI&E).

(f) For the construction of any Navy-owned or leased GFOQs, review and approve the Statement of Work (SOW), Requests for Proposal (RFP) prior to solicitation, and the design and technical submissions prior to authorization (design-build contract process) or award (design-bid-build contract process) of construction.

(3) For privatized GFOQs:

(a) Approve or disapprove privatized GFOQ budgets that will exceed a total of \$50,000, including utilities.

(b) Approve or disapprove requests for exceptions to policies established by this manual. Consistent with the provisions of reference (f), paragraph 8.a., CNIC will not act on requests beyond budget/scope involving quarters assigned to CNIC or assigned to an individual of an equal or more senior rank. All such requests must be forwarded to VCNO for decision. This includes the following requests:

1. Requests beyond budget/scope for those items not identified in the approved budget for the current fiscal year. This includes furnishings requests that exceed the list of approved allowances detailed in Appendix C in either category, item description, or quantity; furnishings requests that will cause the approved furnishings budget to be exceeded, regardless of the approved allowances detailed in Appendix C, such as unplanned maintenance or repair items; improvements not specifically programmed and approved in the current fiscal year budget; and any request that is not for the purpose of preventing suspension of services, protecting structural integrity of the house, or for the health and safety of the residents.

2. Exceptions to privatized GFOQ policy when requested by the region commander.

b. Region commanders will:

- (1) Submit requests for exceptions to CNIC policy as established in this manual.
- (2) Provide technical program expertise and support to installation and region personnel.
- (3) The following apply only to government-owned or leased GFOQs:

(a) Coordinate, review, validate, and assist installations in developing a comprehensive SYMP on each GFOQ, including leased GFOQs.

(b) Review installation GFOQ budgets and submit to CNIC via the eMH General and Flag Officer module (GFOM) during the annual Congressional budget call.

(c) Review and submit to CNIC all Congressional notifications.

(d) Review and submit to CNIC out-of-cycle Congressional submissions for emergent and safety-related requirements that will cause the \$35,000 threshold for maintenance and repair (M&R), or the approved M&R to be exceeded.

(e) Review and submit to CNIC all requests beyond budget/scope not previously identified in the approved budget for the current fiscal year.

(f) Coordinate with the execution agent to ensure prior CNIC headquarters review and approval of the SOW, translation of requirements in the RFPs and designs for construction of new GFOQs.

(4) Apply the following only to privatized GFOQs:

(a) Review and forward to CNIC all privatized GFOQ annual budgets.

(b) Review and submit to CNIC all requests beyond budget/scope not included in the approved annual budget for that year.

(c) Coordinate with, and provide to, CNIC Housing the managing member's proposed design and construction plans during the planning process of any new GFOQ for CNIC concurrence.

c. Installation commanding officers (CO) will:

(1) Provide the resident sponsor of a GFOQ a copy of this manual. At the earliest opportunity, ensure delivery of a personalized briefing of the key elements of the GFOQ rules, regulations, and repair plans for the unit during occupancy.

(2) Submit requests for exceptions to this policy to the region commander as established in this manual.

(3) Apply the following only to government-owned or leased GFOQs:

(a) Submit changes to the approved scope of work as identified in the budget and SYMP plan to CNIC via the region.

(b) Execute the CNIC-approved SYMP within scope and cost. Ensure the resident is fully informed of all work scheduled for the quarters prior to and during occupancy. Brief the resident quarterly concerning the costs charged to the quarters as they relate to the SYMP using the GFOM quarterly cost report in eMH.

(c) Ensure the development and submission of annual budgets for each GFOQ per annual family housing budget guidance published by CNIC.

(d) Use the eMH GFOM to develop and update the SYMP, as required, during the annual budget submission process. Ensure that the most cost-effective options for execution have been incorporated. Document, justify, and explain any variances from the previously submitted plan. Annual submission of the budget documentation to CNIC via the region commander is required regardless of total maintenance and repair costs.

(e) Submit emergent or safety-related Congressional notifications to CNIC via the region commander. Emergent or safety-related items include natural disaster damage, unforeseen component failure, flooding, or fire.

(f) Per Appendix D, paragraph 2, submit exception requests for government-provided grounds maintenance to CNIC via the region. Advise residents of their responsibilities for grounds maintenance until receipt of an exception approval or disapproval.

(g) Review and submit to the region commander all requests beyond budget/scope not previously identified in the approved budget for the current fiscal year.

(h) Ensure the accurate preparation of individual quarterly and annual cost reports. Provide quarterly summary costs and other information to residents for review. Ensure that quarterly cost reports in the GFOM of eMH are updated on a timely basis and fully completed by 30 October for the prior fiscal year.

(i) Submit requests for designation to GFOQ, and re-designation from GFOQ, to the region commander. The region should then notify the CNIC GFOQ Point of Contact (POC) of this change in inventory.

(4) Apply the following only to privatized GFOQs:

(a) Review and submit to the region commander all requests beyond budget/scope not identified in the approved operating budget for that year.

(b) The managing member will, as per the business agreements:

1. Develop annual budgets and submit to CNIC via the Naval Facilities Engineering Systems Command (NAVFAC) business agreement manager for review and approval prior to execution.

2. Maintain consistency in the appearance of the exteriors of all homes in neighborhoods where privatized GFOQs and Installation Command Quarters (ICQ) are located. The managing member must maintain the exterior of all homes in these neighborhoods to standards equal to the privatized GFOQs or ICQs.

d. The Navy Housing staff is responsible for providing contact information to and advocacy for GFOQ residents, and for ensuring all residents of GFOQs understand their responsibilities, including:

(1) Conserving utilities, ensuring the judicious use of heating and cooling in rooms not used for family living.

(2) Reporting any condition deficiencies discovered which affect habitability, safety and structural integrity of the units.

(3) Allowing maintenance workers reasonable access to the quarters to facilitate execution of maintenance, repair, and planning.

(4) Submitting to the region commander requests to extend assignment beyond limits established in this manual, coordinating such requests with the PPV property manager.

(5) Per reference (g), requesting procurement of replacement furniture, floor covering or window treatments based on age and condition only. Floor covering or window treatments will not be replaced based merely upon change of occupancy or due to personal preferences regarding furniture, color schemes, or decorations. Additionally, in the case of both government owned/leased GFOQs and PPV GFOQs, furnishings should be tasteful and appropriate to the residence, but not extravagant. For instance, 'area rugs' do not suggest costly hand-knotted Persian carpets, nor does 'portable gas grill' for a patio entail the purchase of expensive built-in appliances, lavish lanai kitchens, luxury 'fire pits' or other unauthorized entertainment furniture. Appendix C contains a list of furnishings options for GFOQs, including special command positions and may not be exceeded in terms of category, item description, or quantity.

e. The Navy Housing staff is responsible for providing contact information to and advocacy for GFOQ residents, and for ensuring all residents of government-owned or leased GFOQs understand their responsibilities, including:

(1) Per reference (f), paragraph 1.n., being familiar with the rules and regulations provided in this manual and all operations and maintenance costs for their assigned unit (including designated grounds and approved public entertainment areas).

(2) Informed of the budget and the procedures for ordering specific services and maintenance work. Remain in accordance with expenditures that are within the approval authority of the CO, as well as those that must be submitted to higher authority for approval. Understand that work outside the scope of the budget and CNIC-approved SYMP must be submitted for approval in writing, with justification to CNIC via the chain of command. No work will commence unless authorized.

(3) Review quarterly and annual cost reports and related information.

f. The Navy Housing staff is responsible for providing contact information to and advocacy for GFOQ residents, and for ensuring all residents of privatized GFOQs understand their responsibilities, including:

(1) Informed of the rules and regulations provided in this manual and the terms of their lease agreement, including the resident handbook and all addendums.

(2) Understanding that the managing member must comply with the CNIC-approved annual budget and that the managing member does not have unlimited funding or authority to increase that budget without prior authority from CNIC. Therefore, requests for additional maintenance should be limited to those that prevent suspension of services, protect structural integrity of the house, or for the health and safety of the residents.

CHAPTER 2
OPERATING PROCEDURES FOR NAVY-OWNED OR LEASED GENERAL AND
FLAG OFFICER QUARTERS

0201. Objective. The objective of this chapter is to outline the statutory and regulatory controls and guidelines specified in references (i) and (j) that apply to Navy-owned or leased GFOQs. Additional policy specific to Navy-owned or leased GFOQs can be found in Appendix D. Refer to Appendix B for a listing of definitions and terms used in this chapter.

0202. Procedures

a. 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 (reference (k), Armed Forces, chapter 169) govern the FH, Navy appropriation. Spending limitations are defined in reference (i), sections 2821 and 2831. Additionally, Pub. L. 107-64, Sec. 127, Nov. 5, 2001, 115 Stat. 482, states:

(1) Exclusive Source. Notwithstanding this or any other provision of law, funds appropriated in Military Construction Appropriations Acts for operations and maintenance of FH must be the exclusive source of funds for repair and maintenance of all FH units, including GFOQs.

(2) Annual Limitation. Not more than \$35,000 per unit may be spent annually for the operations, maintenance and repair of any GFOQ without 21 days advance prior notification to the appropriate committees of Congress. No work will commence nor continue without prior authorization from CNIC.

(3) Annual Reports. The Under Secretary of Defense (Comptroller) reports annually to the committees on appropriations all operations and maintenance expenditures for each individual GFOQ for the prior fiscal year.

b. Unless identified in the annual budget submission or from unforeseen and necessary environmental, safety or health of the resident issues arising after submission of the annual budget, no maintenance or repair project may be undertaken until the Congressional defense committees are notified if the project will or may result in the total operation, maintenance and repair costs for the unit for the fiscal year exceeding \$35,000. Congressional "Notification and Wait" applies. No work will commence without prior authorization from CNIC.

c. For the purpose of this calculation, "operations" is defined as the pro-rated share of costs for management, services and furnishings. Utilities, leases and costs related to historical preservation are not included in the analysis of the \$35,000 threshold (found in Conference Report H108-767).

d. In the construction, acquisition and improvement of GFOQs, the SECNAV requires compliance with reference (j). The room patterns and floor areas of military FH in a particular

locality (as designated by the SECNAV for purposes of this section) are similar to room patterns and floor areas of similar housing in the private sector in that locality.

e. Appendix E, Approval Authority or Chain for Requests beyond budget/scope for General and Flag Officer Quarters, summarizes actions and authorities in the management of GFOQs.

f. Requests for exception to policy include requests beyond budget/scope. All such requests must be signed by the Service Member – they cannot be delegated to spouses or any military staff member – and must be endorsed by the region and approved or disapproved by CNIC.

(1) Service Members may make requests beyond budget/scope that will cause the approved furnishings allowances to be exceeded for additional services (more frequent trash pickups, etc.) or require maintenance and repair expenses not currently in the budget for the home. This includes requests beyond budget/scope not identified in the approved budget for the current fiscal year. This also includes furnishings requests that will cause the approved furnishings budget to be exceeded, regardless of the approved allowances detailed in Appendix C, furnishings items not specifically authorized in Appendix C, maintenance or repair items, or improvements not specifically programmed and approved in the current fiscal year budget.

(2) Service Members may also make requests to remain in Navy-owned or leased GFOQs beyond their retirement date or longer than 10 days after assignment outside of the current housing area. These requests are approved or disapproved by the Region Commander.

(3) Consistent with the provisions of reference (f), CNIC will not act on requests involving quarters assigned to CNIC or to an individuals of an equal or more senior rank. All such requests must be forwarded to VCNO for decision, except for extensions to remain in quarters.

0203. Quarterly Cost Reports

a. The standardized report for reporting quarterly obligations and costs is found in GFOM within eMH and is to be used for cost reporting for all Navy-owned and leased GFOQs. The header information is filled in automatically based upon information the installation enters and updates in the FH module of eMH; this information is not editable on the cost report itself. It is imperative that the resident and occupancy information be updated regularly as this information is produced on any report run from eMH and must be accurate.

b. Cost reports are to be completed and reviewed by the region prior to submission to CNIC. All reports in GFOM are submitted electronically by the installation to the region using the status tab on the report. Once the region reviews and approves it, the region then submits the report to CNIC using the status tab. The cost report for the completed quarter is due to CNIC on the 30th of the month following the end of the quarter. The final report, due on 20 October, represents the quarters' annual costs and will be used in the required annual submission of all GFOQ costs to Congress. The final cost report must be submitted by 20 October so that the Navy may meet

its deadline in providing the annual GFOQ operations and maintenance report to ASN (EI&E) by 7 November.

c. To view the completed quarterly cost report, click on the reports tab in GFOM, choose the appropriate report, fiscal year and quarters ID, and run the report. To print the report, click on the export icon, choose to export to PDF and then print the report.

CHAPTER 3
MANAGEMENT OF NAVY-OWNED OR LEASED GENERAL AND FLAG OFFICER
QUARTERS

0301. Discussion. The Navy is committed to maintaining GFOQs in a state of condition and repair commensurate with their purpose and historical significance, and protecting significant Navy investments. Quality housing enables senior Navy leaders to perform their mission and provides acceptable settings for official entertainment. The high cost of operating these units necessitates positive action to achieve all practicable economies. GFOQs are to be managed per all DoD and Department of the Navy (DON) established cost limitations and budgets.

0302. Delegation of Authority. Approving authorities, as listed in Appendix E, may not be further delegated. In no case will the individual exercising this authority approve an exception to this policy or regulation herein for the dwelling in which they live or the dwelling of a person of an equal or more senior rank, except for extensions to remain in quarters.

0303. Funding, and Operation and Maintenance Budgets. Per references (f) and (m), all costs associated with the construction, improvement, operation, maintenance and repair of GFOQs will be funded solely from the FH appropriation. Installations or regions are authorized to spend annually up to \$35,000 for maintenance, repair, incidental improvements, management, services and furnishings for each Navy-owned or leased GFOQ per the CNIC-approved SYMP and the CNIC-approved budget for that dwelling. This limit cannot be exceeded without prior Congressional notification pursuant to reference (i), section 2831.

a. Included in the \$35,000 limit is \$3,000 for incidental improvements. The \$3,000 limit on incidental improvements is a cumulative total for the fiscal year. Incidental improvements in excess of \$3,000 for a fiscal year must be approved by CNIC. Examples of incidental improvements would include replacing life-cycle items (carpeting, appliances, tile, etc.) before the life cycle for such items has expired, building new shelves, creating fences around trash containers, etc. If a minor permanent change is being made to the quarters, it is an incidental improvement and is subject to the annual dollar limit of \$3,000, or \$7,500 with prior CNIC approval.

b. Reference (m) stipulates that maintenance and repair budgets (including incidental improvements, management, services and furnishings) above \$35,000 require approval by Congress, as part of the President's annual budget submission.

0304. Eligibility. Eligibility for a GFOQ does not ensure availability of such housing or assignment to a particular unit. References (n) and (o) do not apply to the eligibility, assignment or termination of assignments to GFOQs.

a. Active Duty military O-7 (or select) and above personnel and others as designated by the OSD that are serving in a SCP are eligible for assignment to GFOQs.

b. Eligibility for billeted quarters, where established, is determined by the position of command assignment, for example, CO or Fleet commander. Billeted quarters are established for the command position and must be vacated when the position is no longer held by the incumbent.

c. Single Service Members or Service Members unaccompanied by their dependents may be assigned to billeted quarters when the member is ordered to the corresponding billet. Assignment to billeted quarters would stop the member's entitlement to Basic Allowance for Housing (BAH).

0305. Assignment to GFOQs and Billeted Quarters. The region commander will determine the requirements for GFOQs and billeted quarters. Each region commander will establish procedures for assignment to GFOQs or billeted quarters, or both, within their respective regions, to include local assignment priority.

a. Guidelines for assignment priority are as follows:

(1) Priority I. Personnel serving in General or Flag Officer billets for which there are designated quarters. Those billets correspond to numbered dwellings and are referred to as billeted quarters.

(2) Priority II. Personnel not included in Priority I that are serving in the capacity of SCPs and quarters are necessary based upon operational considerations. Refer to Appendix F for an approved list of SCPs.

(3) Priority III. Other Navy or Marine Corps O-7 and above that are not included in Priority I or II, but where command positions are assigned to GFOQ units supported by the host installation.

(4) Priority IV. Other Navy or Marine Corps O-7 and above that are not included in Priority I, II or III.

(5) Priority V. Navy or Marine Corps senior executive service, or equivalent Navy or Marine Corps personnel, where quarters are determined necessary by the region commander based upon operational considerations.

(6) Priority VI. Other Military Service O-7, or Foreign Military Officers, Public Health Service, Red Cross, United Services Organization (USO) or other agency or organization which have been granted a priority through a DoD or DON memorandum of agreement for housing support, including provisions for proper reimbursement and responsibility for costs.

(7) Priority VII. DoD General or Flag Officer civilian equivalents.

b. General and Flag Officers assigned to positions with designated billeted quarters are required to occupy those quarters. Exceptions to this policy may be granted under special

circumstances by the region commander. On such occasions, the billeted quarters will then be assigned to other eligible personnel from the waiting list and will not normally be available for reassignment until vacated by the current occupant. The regional housing authority (HA) may require a recapture agreement to be signed at the time of assignment, requiring a 30-day notice to vacate for an incoming Priority I eligible member.

c. Available housing will be assigned as soon as possible to ensure maximum occupancy. Housing will not be assigned more than 45 days in advance of anticipated reporting date. Housing, other than designated billet quarters, will not be held vacant without written exception from the region commander.

d. Dependents of members on determinate temporary duty, or temporary additional duty in excess of 12 consecutive months who are approved to remain at the previous duty station and occupy GFOQ or billet quarters, may be required to relocate to alternate suitable government quarters not designated as GFOQ or billet quarters, at no cost to the Service Member.

e. Occupants of GFOQs who are not DoD Active Duty officers, or otherwise entitled to BAH (such as officers of the Coast Guard), will be required to pay rent at the local market rate as detailed in reference (p). If a current local market rate has not been determined for the unit in question, the applicant will be responsible for reimbursing the cost of such an assessment. In no event will the rent be based upon military BAH.

0306. Termination of Assignment. The sponsor or designated representative (power of attorney) will advise the appropriate HA a minimum of 30 days in advance (60 days preferred) of the intent to terminate assignment to quarters due to permanent change of station orders, relocation to the community or retirement from Active Duty.

a. Absent extraordinary, special situations, Flag residents of billeted quarters will terminate their quarters on the earlier of the following:

(1) The officer's effective date of retirement from Active Duty.

(2) No more than 10 working days after relinquishing the officer's billet if the officer is not ordered to a successive assignment within the area.

b. GFOQs must be vacated when the occupant is no longer the incumbent of the position authorizing assignment to those quarters; for example, a change of command date. The last authorized date of occupancy is the same as the last date of duty in the position authorizing the designated housing, unless granted an exception under terms of paragraph 6.a. above. Flag Officers residing in billeted quarters and transferring to an assignment within the same housing area will be offered the first available government housing for which they are qualified; however, there is no guarantee of availability or assignment. Relocation will be government funded.

c. Requests to extend assignment to housing beyond retirement or new reporting date must be submitted to the Region Commander for approval no later than 30 days prior to the effective date, or the termination criteria in this paragraph will apply. The request will detail the justification and hardship incurred. Requests for extensions to remain in quarters will be considered on a case-by-case basis and must demonstrate significant hardship to the resident if forced to move within these guidelines.

(1) No authorized personnel should be denied housing to accommodate a request for extension.

(2) The HA will establish rental charges and payment procedures per reference (p).

0307. Exception to Policy Requests

a. Residents will ensure that all requests for additional furnishings based upon entertainment responsibilities contain the appropriate information required. If additional furnishings above and beyond those provided in Appendix C are required, the resident must provide data as to how often the Service Member is required to entertain for official purposes, the number of people routinely entertained and why the item is required to support these responsibilities. Exceptions for additional services or maintenance items that will cause the current budget to be exceeded should clearly delineate the need and urgency for these items and why they cannot wait for the next budget cycle to be executed. Exceptions to remain in quarters past the time limits as expressed in this policy must address the impact to the incoming resident of this billet quarters.

b. Once flag housing is assigned and occupied, requests to move to other GFOQs due to size or location will not be considered unless necessary to best manage the flag inventory. On rare occasions, if requested as a convenience to the resident, the resident will self-fund the move. If directed by the government, the resident move will be government funded.

CHAPTER 4
FUNDING CONTROLS FOR NAVY-OWNED OR LEASED GENERAL AND FLAG
OFFICER QUARTERS

0401. General. GFOQ expenditures are forwarded to ASN (EI&E) annually for reporting to the OSD and Congress. It is important to accurately account for GFOQ operation and maintenance costs to ensure limits, law or policy are not exceeded and to accomplish reporting requirements. Maintenance and repair (M&R) costs for GFOQs temporarily designated as unaccompanied GFOQs (less than 3 years) are paid exclusively from FH funds.

a. Point of Contact (POC). When necessary, the Housing Installation Program Director (IPD) will appoint a single POC whose responsibility is to ensure the proper collection, recording and certification of all GFOQ costs.

b. Housing IPD Action. The IPD (in some cases, this would be the Region Program Director) will monitor and validate costs prior to approving any service call, repairs or work in the GFOQ to ensure sufficient authorization exists. The IPD initiates quarterly and annual GFOQ cost reports and submits to CNIC via the region in the GFOM within eMH.

c. Involvement of GFOQ Residents. The POC will keep GFOQ residents informed of all work required to be performed in their quarters, including cost estimates prior to work. The POC will prepare and give a quarterly brief for GFOQ residents, to include reviewing expenditures included on their quarterly cost report.

0402. Tracking and Reporting GFOQ Costs. The installation will maintain a separate cost report for each Navy-owned or leased GFOQ. All costs associated with each GFOQ and associated real property will be tracked and reported, including operations, M&R, incidental improvements and projects.

a. Occupancy Period for Reporting. Report all costs, operations, utilities, lease and repairs for any unit used or designated as a GFOQ, whether occupied or not, including units occupied by "frocked" or "selected" Flag Officers. Partial year operations and M&R costs must be reported for any unit occupied by a Flag Officer for any part of a year. Units not occupied by Flag Officers should be re-designated if it is unlikely to be re-occupied by a Flag Officer.

b. Mid-Year Change of Occupancy. When a senior officer (O-6; major repair limit of \$20,000) and a Flag Officer (O-7 and above; M&R limit of \$35,000) occupy a GFOQ in the same fiscal year, the rules in Table 4-1 apply. The non-GFOQ \$20,000 limit places an annual obligation limit on major M&R and alteration work on non-GFOQs accomplished by job order, work order or contract. The GFOQ \$35,000 limit places an annual obligations limit on total costs for maintaining, repairing and making minor alterations on GFOQs.

c. GFOQ M&R and Senior Officer Quarters (SOQ) M&R Costs. Table 4-1 gives general guidance for tracking and reporting GFOQ M&R and SOQ M&R costs. For unusual situations,

consult with the Housing Region Program Director to avoid exceeding these limits without prior approval authority. In all cases, when a Flag Officer occupies a GFOQ for any part of a fiscal year, costs must be reported on the quarterly cost report (QCR) in GFOM within eMH.

Status of Resident	Quarters Re-designated to:	Guidance on Limits and Reporting (note paragraph 2.b for application of limits)
Senior officer occupies SOQ for part of year, then becomes Flag Officer	GFOQ	<ul style="list-style-type: none"> • \$35,000 limit applies when re-designated • All M&R, incidental improvements, change of occupancy maintenance charged to \$35,000 for the entire year • For first quarterly report, all costs are reported, charged to the quarter in which they were incurred
Flag Officer occupies GFOQ for part of year, then moves out; senior officer moves in	SOQ	<ul style="list-style-type: none"> • \$35,000 limit applies while GFOQ; when SOQ, \$20,000 limit applies for major M&R, including incidental improvements

Table 4-1, Tracking and Reporting M&R When Re-Designating GFOQs and SOQs

d. Violations. To avoid an Anti-Deficiency Act violation of Title 31, United States Code, current expenditures and anticipated costs for the remainder of the fiscal year must be monitored by the POC. If it appears that the statutory and Congressional language limit of \$35,000 may be exceeded for the fiscal year, the POC must consult the region about submitting an out-of-cycle budget request to exceed the limit to CNIC for review, who will forward it to ASN EI&E for submittal to Congress (see Table 4-2). No work will commence without authorization from CNIC. Out-of-cycle requests are not routine and will not be considered absent an urgent and unanticipated requirement that cannot wait for the next budget cycle.

ACTION: I = Initiate V= Via Endorsement A = Approval C = Copy of Approval			
ACTIONS	Housing Authority¹	Region	CNIC
Within Threshold			
M&R ² budget per unit < \$35K	I	V	A
Total operations and maintenance (O&M) ² budget per unit < \$35K	I	V	A
Incidental improvements ² (minor construction authority) >\$3K and <\$7.5K	I	V	A
Budget Submission (Congressional Approval)			
M&R budget per unit > \$35K	I	V	V to FMB to Congress
M&R budget < \$35K and O&M budget per unit > \$35K	I	V	V to FMB to Congress
Improvements ³ per unit > \$7.5K	I	V	V to FMB to Congress
Notice and Wait Requirement⁴			
21-day notification^{5,6} : M&R budget per unit increase < \$35K, but O&M > \$35K	I	V	V to ASN to Congress
30-day renotification⁶ : M&R budget per unit > \$35K now with additional work to what was originally identified in budget submission	I	V	V to ASN to Congress
30-day notification, out of cycle^{6,7} : M&R budget per unit < \$35K now >\$35K	I	V	V to ASN to Congress
Required Reports or Waivers			
QCRs	I	V	A
Annual cost reports	I	V	V to ASN to Congress
Grounds maintenance waivers ⁸	I	V	A
Waiver to furnishings cost limits ⁹ (annual and 5-year limits)	I	V	A

Table 4-2, Approval Authority or Chain for GFOQs

¹Housing authority is the installation commanding officer or in some cases, the region commander.

²M&R=Support identification code (SIC) 20/22 plus SIC23 for overseas locations. O&M=All SICs excluding SIC12. Incidental improvements=SIC20 and SIC22.

³Improvements=SIC31.

⁴No work will commence without notification to proceed from CNIC.

⁵After 21 days following the date of receipt of justification and estimate by Congress, or after 14 days following receipt of electronic copy of same, pursuant to section 480 of H.R.4200.

⁶After the fact notification allowed if portion causing costs to exceed \$35K is environmental (asbestos or lead based paint related) and could not have been anticipated, health or safety. However, this requires immediate notification via the region to CNIC. No work will commence unless authorized by CNIC.

⁷Work is urgent and compelling, cannot wait for the next budget submission and not for alteration, addition or improvement.

⁸Installation or from the GFOQ resident to CNIC via the region.

⁹Special command position at \$10K per year and \$40K per 5-year consecutive period; GFOQ at \$6K per year and \$20K per 5-year consecutive period.

0403. When to Charge and Report Costs. Charge and report annual costs on the date the funds are obligated. However, for multi-unit service contracts where funds are obligated when the contract is awarded, charge costs to individual GFOQs as expenses are incurred. Examples of these contracts are housing maintenance, grounds maintenance and refuse collection. Do not report anticipated costs prior to obligation or receipt of services. For example, do not report an expected fourth quarter expense on the third quarter report.

a. Contract Costs. For contract work (SIC 10 and SIC 20), charge and report the entire cost of the work (labor plus materials) at the time the contract is awarded. Changes to costs prior to end-of-year reports (fourth quarter) will be reported by the installation through the region to CNIC when the contract change is approved. Once annual reports have been submitted through the region commander to CNIC, updated reports need to be submitted only if a cost change would affect statutory or regulatory compliance. However, updated annual cost reports incorporating the changes should be retained at the installation.

b. In-house Costs. For in-house work, charge and report the cost of materials as they are received. Charge and report actual labor for in-house work at the time the hours are expended.

0404. How to Charge Costs. Determine O&M costs for GFOQs in one of two ways and charge accordingly:

a. Single GFOQ. If costs are solely attributable to a GFOQ, such as a maintenance project or contract cleaning for an individual unit, charge the entire cost to the GFOQ.

b. Shared Costs. If two or more units benefit from services (e.g., trash collection, maintenance, shared garage), prorate the costs among all benefiting units. For utilities, if a GFOQ does not have an individual meter, determine a cost per square foot and charge the GFOQ the cost per square foot times the GFOQ area.

0405. Cost Categories. All costs associated with the operations, M&R and improvements of a GFOQ and its associated real property must be tracked and reported.

a. Operations Costs. Report all expenditures associated with management, services, utilities, leases, municipal type services, miscellaneous and furnishings in this category.

(1) Management (SIC 11). Costs for GFOQs are identified as follows:

(a) Total cost of personnel labor (including travel, training, per diem, etc.), excluding military personnel, for those specific individuals that support the management of the GFOQs. This does not include costs for maintenance personnel who perform routine maintenance and repairs. Include a pro rata share of housing service center costs, distributed on the basis of total housing units.

(b) Costs for requirements surveys and preliminary FH studies or engineering construction plans made before submitting budgets for approval. This also includes planning for

improvement and rental guarantee projects, and inspection of construction of rental guarantee housing.

(2) Services (SIC 10). Costs associated with paying the following:

(a) Police Protection. There is no charge unless FH is the sole beneficiary of this service.

(b) Fire Protection. There is no charge unless FH is the sole beneficiary of this service.

(c) Pest Control. Pro rata share of the overall FH contract or in-house cost. Includes costs above the specific contract or in-house requirement for specific additional work items ordered. Excluded is the cost for repair of damage to a building as a result of pest infestation, which should be charged to the appropriate M&R account.

(d) Refuse Collection and Disposal. Pro rata share of the overall FH contract or in-house cost. This also includes the cost for purchase or replacement of trash and recycling containers.

(e) Street Cleaning. Pro rata share of the overall FH contract or in-house cost. Includes the costs of sweeping, flushing and litter pick-up.

(f) Snow Removal. Pro rata share of the overall FH contract or in-house cost. Includes the costs of removal, hauling and disposal of snow, ice, sand and scrap material from FH facilities. This also includes the erection, maintenance and repair, and removal of snow fences.

(3) Utilities (SIC 12). Costs attributable to a GFOQ that may be based on engineering estimates, actual meter readings or prorated based on area. Include total costs of all utilities consumed in FH and supporting facilities, to include gas, propane gas, electricity, water, sewer, steam and fuel oil.

(4) Furnishings (SIC 14). Costs associated with the provision, moving, handling, and repair or replacement of government-owned household movable equipment, such as ranges, refrigerators and furnishings, such as supplemental entertainment items (area rugs, window treatments, etc.). All furnishing costs are posted to the quarterly report, either as chargeable or not chargeable against the annual limits.

(5) Leasing (SIC 15). All costs associated with leased quarters.

b. Maintenance, Repair and Improvement Costs. Report all expenditures for M&R work in this category, including periodic and recurring maintenance, contract cleaning, service calls, minor and major repair, incidental improvements and grounds maintenance. If self-help work has been authorized, report the cost of materials.

(1) Other Real Property. Charge costs associated with the dwelling unit, such as garages, driveways and grounds, directly associated with the GFOQ.

(2) Built-In Appliances and Equipment. Charge costs associated with the purchase, installation, repair and replacement of built-in appliances and equipment to M&R costs. This includes, but is not limited to, cook-tops, ovens, dishwashers and trash compactors.

(3) Exterior Utilities. Costs to GFOQs for utility systems such as water, electricity, gas, wastewater, communications and alarm systems and associated M&R, will extend only to work within the five-foot line of the quarters footprint. This charge does not apply to the alarm system itself, but only to the communications connections going to the central system.

0406. Reporting Requirements. Report expenditures for each owned or leased GFOQ quarterly in GFOM and submit to CNIC via the region for review and approval.

a. Quarterly Reports. The fourth-quarter report is used to report annual obligations to Congress for each GFOQ.

b. Due Dates. The quarterly cost reports are due to CNIC by the 30th of the month (except for the fourth quarter) following the close of the quarter (30 January, 30 April, 30 July and 20 October). Strict adherence to the submission date is imperative. CNIC creates the annual GFOQ O&M report and submits to ASN (EI&E) for review. The report is then forwarded to the DoD comptroller, who will submit a consolidated services report to Congress by 15 January each year.

c. Revisions. After annual reports have been submitted by the regions to CNIC for inclusion in the annual report to Congress, the region is only required to notify CNIC if revised costs would affect statutory or regulatory compliance.

0407. Limitations and Exceptions. See Table 4-2.

a. Limit of Expenditure. Annually, recurring provisions in the Military Construction Appropriation Acts provide a ceiling of \$35,000 per GFOQ per year on all M&R, incidental improvements, pro-rated management, services and furnishings. This limit applies to all Navy-owned GFOQs. The OSD comptroller has requested that all leases whose total expenses exceed \$35,000 also be included on the over \$35,000 O&M budget exhibit. The Navy does not budget for, nor expect to spend, \$35,000 per year on each residence. There is no separate account or source of funding for GFOQs. The needs of GFOQs compete with, and must be balanced with, the requirements for all other quarters in the Navy inventory. Funding is based upon validated requirements contained in the SYMP and the annual approved budget.

b. Limit on M&R Projects. The Congressional Defense Committees require notification before work is started on any M&R project when the cost of that project will or may result in the management, services, furnishings, M&R and incidental improvement costs for the unit for the fiscal year to exceed \$35,000. The environmental, safety or health exception for advance

Congressional notification applies to this requirement, but work may not be undertaken on this expected work without the approval of CNIC. When calculating costs for this notification requirement, the term "operations" includes prorated management, services and furnishings, but excludes utilities, leases and historical preservation costs. The exclusion of lease and historic preservation costs is a decision reserved to CNIC and will not be determined at the region or installation level. Prior to the start of a project which will or may cause the \$35,000 threshold on operations including lease and historic preservation costs and M&R to be exceeded, a written request will be forwarded via the region to CNIC describing:

(1) The project and its requirement, including photographs of the condition to be corrected.

(2) The current and projected end of fiscal year costs of operations, including lease and historic preservation.

(3) The reason why the project was not foreseen and submitted in the normal budget.

(4) The anticipated award or start and completion date.

c. Exceeding the \$35,000 Limit. The GFOQ M&R limit must not be exceeded without having complied with the "Notify and Wait" requirement by Congress. Required documentation is forwarded by CNIC to ASN (EI&E) for notification to Congress. No work will commence without prior authorization from CNIC, even after the wait requirement has lapsed.

d. Budget Estimate Submission. Typically, notification is done through submission of the Navy budget.

(1) GFOQ Limit. Installation COs and region commanders will ensure that the amount requested is the total of all major and minor M&R, incidental improvements, management, services and furnishings for the entire fiscal year.

(2) Project Awards. Every effort must be made to award major M&R projects (SIC 22) in the approved budget year. Only as a last resort may these projects be awarded in the year following the budget year under the limits reported to Congress. Current year (year of award) funds will be used to award projects.

e. Out of Cycle Requests. Out of cycle requests to exceed the M&R threshold will be made only when there is an extremely urgent situation, typically related to health or life safety. Out of cycle requests must represent work that is so urgent and compelling that it cannot wait for the next budget cycle; it could not have reasonably been foreseen at the time of the regular budget submission; the cost will cause the \$35,000 limit to be exceeded; and the work is not for alteration, addition or improvement. Budgets submitted outside the normal budget cycle must be thoroughly supported by engineering cost estimates, justified by the installation and endorsed by the region prior to submission to CNIC.

f. Approvals. All out of cycle requests must be endorsed by CNIC and ASN (EI&E), including those for unforeseen environmental, health or safety conditions. Endorsed requests are submitted to Congress for compliance with notification requirements. Completion of the notification period requirement to Congress does not mean automatic authorization to proceed. No work will commence until authorization is received from CNIC.

(1) Justification. Out of cycle requests must include strong justification for why the work must be done out of cycle, including the reason why the requirement was not included in the budget submission, urgency and the impact of delay.

(2) Description. The request must contain a comprehensive narrative for each GFOQ project, including a detailed explanation of the work.

(3) Cost Breakout. Detailed cost breakout, including line item details.

g. Environmental or Safety and Health Exception. There is only one circumstance in which an after-the-fact notification, instead of prior notification, may be made to Congress if the GFOQ limit of \$35,000 is exceeded. That circumstance arises for costs associated with unforeseen environmental hazard remediation (i.e., lead paint, asbestos, radon, toxic mold) or work required for the safety and security of the resident. The approval authority for exceeding the \$35,000 in this circumstance is ASN (EI&E). Should a situation arise in which the \$35,000 limitation is likely to be exceeded due solely to unforeseen environmental conditions or unforeseen safety and health issues, the housing director will request authority from CNIC through the region commander. The request to CNIC will include a description of circumstances leading to the anticipated cost increase, an explanation of why the circumstances could not reasonably have been foreseen, a cost estimate for the completion of the work certified by the installation public works officer, a description of the method of accomplishing the additional work and the anticipated completion date. Work will not commence until authorized by CNIC. CNIC will forward after-the-fact notification documentation to ASN (EI&E) for submission to Congress.

h. Incidental Improvements. Incidental improvements include minor construction or improvement projects typically performed in support of a M&R project and funded with SIC 20 funds. However, some circumstances may warrant use of incidental improvements without M&R. Replacement of items within their service life is classified as an incidental improvement. Incidental improvements are limited to \$3,000 per unit per year. Unless the scope of work is specifically identified in the budget submission, all incidental improvements will be considered as requests beyond budget/scope. Incidental improvements up to \$7,500 per unit per year may be approved by CNIC. This authority may not be delegated. The authority for incidental improvements may not be used to increase the size of a unit (living area or net square footage), increase the number of rooms or to convert current non-living space (for example, attics or basements) to net living space. Charge costs for GFOQ minor alterations work against the annual \$35,000 GFOQ M&R limit.

i. Antiterrorism and Force Protection. Antiterrorism and force protection (AT/FP) facility improvements are classified as either incidental improvements (SIC 20) or improvements (SIC

31) and are counted against the \$35,000 limit. M&R and incidental improvement costs for security, AT/FP and communications, excluding removable equipment, required by the occupant to perform his or her mission, are charged against the \$35,000 limit, except when funded by a military construction project. Per public law, the FH appropriation is the exclusive source of funds for all work on units, including AT/FP improvements. However, per reference (f), communications equipment that is readily removable and mission required is funded with non-FH, Navy (FH, N) funds. Communication cable supporting AT/FP requirements is considered an exterior utility. Charge the entire cost of cable to FH, N (when used exclusively for FH). Only that portion of the cable within the five-foot line of the dwelling unit is reported as a GFOQ expenditure.

CHAPTER 5
OPERATING PROCEDURES FOR PRIVATIZED GENERAL AND FLAG OFFICER
QUARTERS

0501. Objective. This chapter outlines the guidelines that apply to privatized GFOQs. Refer to Appendix B for a listing of definitions and terms used in this chapter.

0502. Overview. Per reference (d), privatized GFOQs are managed by the PPV LLC owner. The owner is the managing member and the Navy is a member. These homes are also referred to as executive homes in the PPV business agreements. Costs associated with all construction, improvements, operations and M&R of these PPV GFOQs will be funded as part of the managing member's operating budget. Congressional approval of these budgets is not required, although an after-the-fact report of actual expenses exceeding \$50,000, including utilities, per year per unit is required. To that end, the Navy imposes a \$50,000 cap, including utilities, on PPV GFOQs. Any PPV GFOQ budgets that will exceed \$50,000, including utilities, must be approved by CNIC. If, during the budget year, the managing member identifies a potential for a previously-approved PPV GFOQ budget under \$50,000 to exceed the \$50,000 cap, an over-the-cap budget justification must be submitted for CNIC approval. Any budget previously approved at over \$50,000 that will exceed its approved amount by more than 10% must also be reported to CNIC for approval as a revised budget. All budget approvals are completed at the CNIC level.

0503. Process and Procedures

a. For each privatized GFOQ, the managing member provides the following items to the business agreement manager (BAM):

(1) Quarterly reports on expenditures, including repairs and improvements identified in the initial development plan, using the Sample Privatized General and Flag Officer Quarters Cost Report (Appendix G).

(2) An annual budget, which includes all expected expenditures.

b. The DON Representative (DON Rep) will:

(1) Review quarterly spending reports and budgets submitted by the managing member via the BAM.

(2) Review and forward to the region commander all PPV GFOQ budgets.

(3) Submit budgets that exceed \$50,000 that have been approved by the region commander to CNIC for final review and approval.

c. CNIC reviews and approves or disapproves all budgets that exceed \$50,000, including utilities. The \$50,000 cannot be exceeded without prior CNIC written approval except as noted in section 6.

0504. Furnishings. Furnishings, including furnishings warehouses, have been turned over to the managing member for maintenance and replacement per Appendix C.

0505. Designations to and from GFOQs.

a. It is the managing member's prerogative to designate an existing SOQ as a GFOQ to accommodate an unanticipated increase in the Flag requirement, subject to notification and review by CNIC. Once a SOQ is occupied by a Flag Officer, the installation informs the DON Rep, who will notify by email the BAM and the CNIC headquarters (HQ) Flag POC, so the information can be entered in the Flag database to track costs. The following information will be provided up the chain in the notification of designation of an SOQ to GFOQ:

- (1) Address/Building Number
- (2) Date Constructed
- (3) Interior Square Footage
- (4) Number of Bedrooms
- (5) Current Designation
- (6) Waiting List Number(s)
- (7) General Condition of Quarters
- (8) Anticipated Cost for any GFOQ Upgrades or Conversion
- (9) Size of Grounds

b. The installation must also change the quarters' designation as an inventory action within eMH. Cost reporting begins upon actual occupancy. Conversely, if a GFOQ is no longer required to house a Flag Officer, an e-mail notification is required from the DoN Rep to the BAM and the CNIC HQ Flag POC, and reporting requirements will no longer be necessary upon assignment of the quarters to other than a Flag Officer.

0506. Budget

a. The managing member is solely responsible for developing the annual budget for its units. Navy Housing staff must ensure residents understand that their unit belongs to the project owner with finite funding for the entire project. Therefore, the managing member must budget for all units based upon the income of the project itself. The goal of a PPV project is that income is allocated properly and based upon sound business practices rather than on the personal desires of any resident. Thus, the resident will not be involved in budget development, long-term

sustainment plans or execution, although the resident must be advised of the current year's operating plan and scope of work.

b. The managing member is responsible for submitting an annual budget for the project, which includes privatized GFOQs, to CNIC via the BAM and the region. Scope of work approved in one Calendar Year but which the LLC was unable to execute in the Calendar Year of approval may be executed in the following Calendar Year without resubmitting the same scope of work and costs. Regardless of when the work was approved, it needs to be reported on the quarterly cost reports in the year in which it is executed, even though the Approved Budget line will be exceeded. The LLC should footnote in the blue text field the work that was previously approved and note that its execution has been performed in the reporting Calendar Year. Only work from the previous CY may be carried over and executed within the current CY. Any work from CYs previous to the last CY must be re-programmed and approved. A quarterly cost report is submitted to the BAM, the region and to CNIC. Any projected annual expenditure for a privatized GFOQ that will exceed \$50,000, including utilities, must be coordinated with and approved by both the region commander and CNIC, and comply with the required notification process. Budgets for less than \$50,000 are approved by CNIC N93. Repairs required to preserve the structural integrity of the house or protect the life and safety of the resident that arise during the budget year do not require advanced notification and approval by CNIC. In these cases, an after-the-fact notification and revised budget will be submitted to CNIC and acknowledged by CNIC N9. Final expenditures that exceed \$50,000, including utilities, will be identified in the Congressional report that identifies all PPV GFOQs with total fiscal year expenses exceeding \$50,000, including utilities. \$50,000 is not a target to which the managing member budgets, but rather a threshold that triggers CNIC review and approval. The managing member will maintain accounting records and provide quarterly reports of expenditures using the Sample Privatized General and Flag Officer Quarters Cost Report (Appendix G).

0507. Original Budget Exceeds \$50,000 (Including Utilities). When budgets are being developed for the upcoming year and a budget is expected to exceed \$50,000, including utilities, the following procedures must be followed.

- a. The managing member submits the budget to the BAM with a justification using Appendix H.
- b. The BAM reviews and submits to the region.
- c. The region commander endorses and submits to CNIC N93 by e-mail.
- d. CNIC N93 prepares the CNIC response and loads all pertinent documentation into the DON TRACKER system.
- e. Once the decision is made, CNIC N93 forwards the final CNIC response to the region and BAM.

0508. Quarters that Become GFOQs in Mid-Year

a. On occasion, a GFOQ, whether by re-designation from SOQ status or new construction, will come on line during the budget year, but after the original budget submission. In such partial year cases, the budget for the remainder of the budget year needs to be submitted within 30 days after the unit becomes a GFOQ.

b. Routine operations and maintenance (O&M) costs need not be pro-rated or estimated for the purposes of determining a full-year budget. However, any construction, major rehabilitation work or other non-recurring expenses must be included on the annual submission, if such work was executed earlier in the same reporting cycle while the quarters was not designated as a GFOQ.

c. CNIC approval is only required for budgets that will exceed \$50,000, including utilities, during the time in the fiscal year that they are considered GFOQs, although all budgets will be forwarded to CNIC for review. For example, Quarters X becomes a GFOQ in August. Unless the total expenditure from August to December will exceed \$50,000, including utilities, no CNIC approval is required.

0509. Changes to the Approved Budget

a. The managing member has the flexibility to exceed the approved budget without prior CNIC approval for extraordinary expenses not anticipated at the time of the budget submission, as long as the final execution does not exceed \$50,000, including utilities.

b. If a budget ends up exceeding \$50,000, including utilities, at the end of the execution year and had not been approved to exceed \$50,00 during the budget submission cycle, the managing member will submit an after-the-fact notification to CNIC N9 to explain the circumstances and scope of work as to why the budget cap was exceeded. The submission should include the final executed cost report and a justification to explain why the cap was exceeded. This is not a request for approval of a revised budget. Rather, it is a notification to CNIC that the \$50,000 cap has been exceeded without prior approval. The numbers on the completed cost report must reflect those on the justification document.

c. If an original budget had been approved to exceed \$50,000, including utilities, and exceeds its approved budget by 10% or more, then the managing member must submit the final cost report and a budget justification that details the scope of work that caused the budget to be exceeded by 10 percent or more to CNIC N9 as an after-the-fact notification. This is not a request for approval of a revised budget but a notification that the budget has been exceeded by more than 10%. Budget exceedance of up to 10% over the approved budget amount does not require re-notification.

d. Budgets that are executed under the \$50,000 cap do not require an after-the-fact notification, regardless of how much they exceed their originally-approved budget amount. These budgets are approved by CNIC N93.

e. Budgets not originally approved to exceed \$50K, but do so in the calendar year execution must also be submitted as an after-the-fact notification to CNIC N9 with a budget justification and a spreadsheet that shows the final total execution amount.

f. CNIC must approve all requests that cause an increase to the budget, regardless of the amount of the increase. Requests beyond budget/scope are for items not identified in the approved budget for the current fiscal year. This includes furnishings requests that will cause the approved furnishings budget to be exceeded, regardless of the approved allowances detailed in Appendix C, maintenance or repair items, or improvements not specifically programmed and approved in the current fiscal year budget. Additionally, this includes any request that is not for the purpose of preventing suspension of services, protecting the structural integrity of the house, or for the health and safety of the residents. All such requests must be signed by the Service Member. Resident requests for modifications or renovations based on personal preference or convenience are discouraged. These requests cannot be delegated to spouses or any military staff member. They must be endorsed by the region and submitted to CNIC for decision.

g. Individual budget lines (management, services, utilities, furnishings, M&R, grounds, capital improvements, etc.) may be exceeded during the year as long as the overall expenses stay under \$50,000. Individual budget lines can be exceeded for those budgets approved at over \$50,000, including utilities, as long as the approved budget is not exceeded by more than 10%.

h. For after-the-fact-notifications due to emergency repairs, the budget submission will follow the same process as in 0509.b. above. The scope and cost of the emergent repairs should describe why this work could not wait to be accomplished in the next budget cycle.

0510. Navy/Marine Corps Intranet Seat. Provision of a Navy Marine Corps Intranet (NMCI) seat for privatized GFOQs will not be funded by the managing member or Navy family housing funds (FH, N), and instead must be funded through command O&M funds, Navy, O&M Navy reserve funds, or other command funding. All expenses regarding the installation, support and maintenance of secure communications will be borne by the command and not the managing member. No FH, N funding will be used on a privatized GFOQ. Per reference (q), any permanent improvements to a privatized GFOQ for security or communications purposes must be approved by ASN (EI&E) prior to the start of the project. Details of the documentation required for submissions to ASN (EI&E) can be found in reference (q). Requests will come from the command via the region and CNIC for submission to ASN (EI&E) for approval or disapproval. Appropriated funding will not be used for any other purpose on a privatized GFOQ.

CHAPTER 6
MANAGEMENT AND OVERSIGHT OF PRIVATIZED GENERAL AND FLAG
OFFICER QUARTERS

0601. Discussion. The Military Housing Privatization Initiative legislation was enacted in February 1996. Under these authorities, the DoD can work with the private sector to revitalize military housing by employing a variety of financial tools. For the Navy, the basic concept is the formation of a LLC consisting of the Navy (member) and a private sector company (managing member). It is the goal of CNIC to implement consistent policies across the PPV portfolio to ensure uniform guidelines and procedures for the management of privatized GFOQ. Navy's role is primarily one of oversight, while the managing member provides operational management. Navy policy cannot direct the managing member and must align with LLC business agreements. Should the Navy direct a managing member to do something that is not in alignment with the business agreements, Navy may be held legally liable.

0602. Delegation of Authority. Approving authorities listed in Appendix E may not be further delegated. In no case will the individual exercising this authority approve an exception to this policy or regulation herein for their own dwelling or the dwelling of a person of an equal or more senior rank.

0603. Funding, and Operations and Maintenance Budgets. The LLC owns, builds, revitalizes, repairs and manages housing units and leases them to military families on a preferential basis.

0604. Eligibility. The region commander, in consultation with the PPV LLC, will make assignments to privatized GOFQ.

a. Guidelines for assignment priority are as follows:

(1) Priority I. Personnel serving in General or Flag Officer billets for which there are designated quarters. Those billets correspond to numbered dwellings and are referred to as billeted quarters.

(2) Priority II. Personnel not included in Priority I that are serving in the capacity of SCPs and quarters are necessary based upon operational considerations. Refer to Appendix F for an approved list of SCPs.

(3) Priority III. Other Navy or Marine Corps O-7 and above that are not included in priority I or II, but where command positions are assigned to GFOQ units supported by the host installation.

(4) Priority IV. Other Navy or Marine Corps O-7 and above that are not included in Priority I, II or III.

(5) Priority V. Navy or Marine Corps senior executive service, or equivalent Navy or Marine Corp personnel, where quarters are determined necessary by the region commander based upon operational considerations.

(6) Priority VI. Other Military Service O-7, or Foreign Military Officers, Public Health Service, Red Cross, USO or other agency or organization which has been granted a priority through a DoD or DON memorandum of agreement for housing support, including provisions for proper reimbursement and responsibility for costs.

(7) Priority VII. DoD General or Flag Officer civilian equivalents.

b. Occupants of GOFQs who are not DoD Active Duty officers, or otherwise entitled to BAH (such as officers of the Coast Guard), will be required to pay rent at the local market rate as detailed in reference (p). If a current local market rate has not been determined for the unit in question, the applicant will be responsible for reimbursing the cost of such an assessment. In no event will the rent be based upon military BAH.

c. Eligibility for a privatized GFOQ does not ensure availability of such housing or assignment to a particular unit. References (n) and (o) do not apply to the eligibility, assignment or termination of assignment to GFOQ.

0605. Referral to Privatized GFOQs. Each region commander will establish local procedures for referral to privatized GFOQs within their respective region. Local referral policy will be subject to following the terms of the project agreement.

a. Execution of a lease to a privatized GFOQ for which a Service Member is not qualified includes the inherent risk of being asked to vacate upon the arrival of a qualified Service Member. Examples would include an O-6 who accepts a vacant privatized GFOQ or a Flag Officer who accepts a privatized GFOQ that is not associated with their billet.

b. Privatized GFOQs are allowed to remain vacant for up to 120 days pending the arrival of a qualified applicant. The managing member has the ability to rent to a non-Flag Service Member if there is no qualified applicant. The home should be rented as soon as possible to avoid the loss of revenue used to sustain all housing units in the project. In all cases, policy established in the business agreement for the project takes precedence.

c. Dependents of members on indeterminate temporary duty or temporary additional duty in excess of 12 consecutive months, who are approved to remain at the previous duty station and occupy a privatized GFOQ, may be required to relocate to alternate suitable housing not designated as a privatized GFOQ.

0606. Extension After Transfer or Change of Command. Extensions to remain in privatized GFOQs more than 10 working days after permanent change of station or retirement dates will be

submitted by the resident to the Region for decision, except for those GFOQs in the National Capital Region (Naval District of Washington). Requests to remain in quarters past the date of retirement or change of occupancy, regardless if the GFOQ is a billeted quarters or not, must be submitted to CNIC via the Region for decision. Requests for extensions to remain in quarters will be considered on a case-by-case basis and must demonstrate significant hardship to the resident if forced to move within these guidelines. Residents of billeted quarters must also request exceptions to policy to remain or extend occupancy after relinquishing their billets.

0607. Exception to Policy Requests. Specific information must accompany resident requests for additional furnishings based upon entertainment responsibilities. If additional furnishings outside of those provided in Appendix C are desired, the resident must provide data to justify the request, such as how often the Service Member is required to entertain for official purposes, the number of people routinely entertained and why the item is required to support these responsibilities. Requests to remain in quarters must address the managing member's position on the proposed action and the disposition of the incoming resident. These requests will be approved/disapproved by the Region Commander except in the NDW Area of Responsibility. Exceptions for additional services or maintenance items that will cause the current spending plan to be exceeded should clearly delineate the need and urgency for these items and why they cannot wait for the next budget cycle to be executed. All exceptions to policy are submitted to the managing member first so they may determine the fiscal viability of the request. Consistent with the provisions of reference (f), CNIC will not act on requests involving quarters assigned to CNIC or assigned to an individual of an equal or more senior rank, except for extensions in quarters. All other requests must be forwarded to ASN or VCNO for decision. This includes requests beyond budget/scope not identified in the approved budget. This consists of furnishings requests that will cause the approved furnishings budget to be exceeded, regardless of the approved allowances detailed in Appendix C, maintenance or repair items, or improvements not specifically programmed and approved in the current fiscal year budg

CHAPTER 7
GENERAL AND FLAG OFFICER QUARTERS FURNISHINGS, TABLEWARE AND
APPLIANCES SUPPORT

0701. Furnishings Support. General and Flag Officers living in government-controlled FH or PPV GFOQs are authorized furnishings support to meet official representational and entertainment responsibilities. The Master Chief Petty Officer of the Navy is entitled to the same furnishings as non-special command position Flag Officers.

a. Allowances. Appendix C provides furnishings and tableware allowances for the quarters of incumbents of SCPs, and supplemental furnishings for quarters of Flag Officers and Rear Admiral selectees.

b. Civilian Equivalents. DoD General and Flag Officer civilian equivalents are not entitled to any furnishings or tableware.

c. Exclusions. Furnishing items not included in Appendix C may not be purchased, maintained, repaired or replaced at government expense

d. Exceptions. Any request for exceptions must be submitted per chapter 6, paragraph 0607 of this manual to CNIC, and to the extent applicable, forwarded for approval to higher echelons per reference (f).

0702. SCP Furnishings Support. SCPs normally have significantly more responsibilities than non-SCPs for official and social entertainment requirements in representing the interest of the United States. Also, incumbents of SCPs are often housed in larger GFOQs which may require more than the usual amount of furniture. Therefore, incumbents of SCPs are authorized:

a. Furnishings and window treatments in one guest bedroom in addition to the public entertainment area. Guest bedrooms are furnished only if overnight accommodation of official visitors is required.

b. Tableware support, to include Navy crystal, china, flatware, hollowware and table linens.

c. Small kitchen appliances, kitchen utensils and cookware for the purpose of food preparation for official functions. This list is not all-inclusive and other items may be purchased as needed.

d. See Appendix C for a detailed listing of authorized items.

0703. Supplemental Furnishings. Supplemental furnishings are intended to support the official entertainment needs of non-SCP Flag Officers, Rear Admiral selectees, and Captains serving as the installation CO in Navy-owned or leased housing.

- a. Use of Supplemental Furnishings. Supplemental furnishings should be used to complement, not replace, personally-owned furnishings typically expected of an individual of this grade and position based on his or her grade and family size.
- b. Purchase of Supplemental Furnishings. For Navy-Owned and leased GFOQs, installation COs approve the purchase of supplemental furnishings, within the approved budget and per Appendix C.
- c. Entertainment Areas. These include the entrance foyer, living room, dining room, den, library, porches, patios, and stairways and hallways connecting these areas (see Appendix C for a detailed listing of authorized items).

0704. Furnishings for Unaccompanied Members Residing in Government-Controlled FH. Unaccompanied members and voluntarily unaccompanied members residing in FH receive the same entitlement to furnishings as accompanied members of equal grade.

0705. Authorized Furnishings. The Navy standardizes SCP furnishings, tableware and supplemental furnishings to ensure these items are prudent, reasonable and consistent with OSD directives. Purchases of furnishings above the authorized amount, or for items not listed in Appendix C, will be considered to be a resident-driven request and must be approved by the region and CNIC prior to purchase. Navy-owned and leased SCP quarters are limited by annual and 5-year spending limits on the below mentioned furnishings.

- a. Window Treatments. Window treatments are considered furnishings and include draperies, curtains, sheers, rods, valences, cornices and associated hardware. Window treatments must be neutral in color (may include white) and constructed of quality materials with at least a 7-year life expectancy. Window treatments are decorative whereas window coverings afford privacy to the residents.

- (1) For SCP quarters, window treatments are authorized throughout the unit. For other GFOQs, window treatments are authorized only in entertainment areas, as defined in Appendix C.

- (2) For Navy-owned and leased SCP quarters, charge the cost of replacement window treatments against the annual furnishings limit of \$10,000 and 5-year limit of \$40,000. Exclude initial-issue window treatments required due to new construction or re-designation of a unit for GFOQ use.

- (3) For all other Navy-owned and leased GFOQs, charge the replacement cost against the annual furnishings limit of \$6,000 and 5-year limit of \$20,000.

(4) Cleaning costs for window treatments are reported on the quarterly and annual cost reports as furnishings and are not charged against the Navy-owned and leased annual furnishings limit.

b. Appliances. Per Appendix C, freestanding or permanently installed appliances are provided for every GFOQ. For Navy-owned and leased GFOQs, use the principle that freestanding is an operations cost (SIC 14), and installed is a M&R cost (SIC 20) to determine the proper cost category. Charge subsequent costs incurred for the item (maintenance, repair or replacement) to the same cost category initially assigned to the appliance

(1) Authorized appliances and equipment for GFOQs include a stove or cook-top with wall oven, three refrigerators or two refrigerators and a freezer, installed or portable dishwasher, microwave oven, trash compactor, icemaker, washer and dryer.

(2) Installed or built-in appliances, such as a dishwasher or built-in oven or cook-top, are charged and reported against the annual \$35,000 M&R limit in Navy-owned or leased GFOQs. Charge maintenance, repair or replacement of installed appliances to the M&R limit.

(3) In Navy-owned or leased GFOQs, freestanding appliances (not installed), such as a portable dishwasher on wheels, refrigerator, stove, microwave, ice maker, washer and dryer, etc., are charged as furnishings and not subject to annual cost limit on furnishings. These appliance items are reported on the quarterly report, not charged against any limit. Charge purchase, maintenance, repair or replacement of freestanding appliances to the operations account (SIC 14).

0706. Furnishings Cost Limits for Navy-Owned and Leased GFOQs. Furnishings cost limits must be applied to Navy-owned and leased GFOQs. Limit expenditures for furnishings listed in Appendix C of this guidance to \$10,000 per SCP per fiscal year and \$40,000 per SCP for a 5-year consecutive period. For other GFOQs, limit expenditures to \$6,000 per GFOQ per fiscal year and \$20,000 per GFOQ for a 5-year consecutive period.

a. Limits and Exclusions. The limit applies to new items taken from existing base stocks that have never been charged to a GFOQ. Exclude items from existing warehouse stock when the item has been used and previously charged to other quarters. Exclude costs associated with government-provided shipping, transportation, pickup, delivery, installation, repair or cleaning of furnishings, as well as commercial shipping costs for items delivered to base warehouses at locations outside the continental United States.

b. Application of Limits. Apply the furnishings limit to the:

(1) Purchase cost of furniture.

(2) Purchase cost of area rugs. Area rugs are not authorized when installed carpet is in place.

(3) Replacement cost of window treatments. Exclude initial-issue window treatments required due to new construction or re-designation of a unit for GFOQ use.

(4) Refinishing and reupholstering.

(5) Replacement tableware, linen and artificial plants for SCP quarters.

c. **Exceptions to Cost Limits.** This applies to Navy-owned or leased GFOQs only (see Table 4-2). The Housing Director will forward requests to exceed furnishings cost limits (annual and 5-year limits) to CNIC via the region commander. The waiver requests must be justified and include:

(1) Housing Director's statement validating the requirement to exceed the cost limits, including an explanation why exceeding the limit is necessary.

(2) List of items requested, including costs.

(3) Description of furnishing actions completed (with costs) and those proposed for the fiscal year.

d. **Annual and Long-Range Plans.** The furnishings plan for GFOQs should show an ability to maintain quality furnishings within the expenditure limits in future fiscal years.

0707. **SCP or Tableware and Linen Allowances.** For Navy-owned and leased GFOQs, housing authorities are responsible for tracking and reporting expenditures for these items on the cost reports.

a. **Table Linen.** Table linens are accountable items and should be itemized on the quarterly cost report (QCR) at the time of purchase.

(1) Managers may purchase replacement linens (SIC 14) locally using the government purchase card.

(2) Table linen may be cleaned at government expense with SIC 14 funds. Report costs on the QCR, furnishings, not chargeable category. This service is not subject to any limit.

b. **Tableware.** Tableware includes china, glassware, flatware and hollowware.

(1) Authorized tableware items are accountable and will be reported on the QCR.

(2) New and replacement items may be obtained using a government credit card.

c. SCP Allowance. SCPs are allowed two additional \$1,000 furnishings funds annually. The first allowance is for locally replaced linen and non-crested tableware. The second allowance is for the purchase of any miscellaneous items. Housing directors will budget for these allowances. Expenses are reported on the QCR (SIC14, SCPs only). Waivers to these two annual allowances will be considered to be requests beyond budget/scope and must be approved by CNIC.

0708. Furnishings and Tableware Accountability. Flag Officers are accountable for government-issued furnishings and tableware placed in the quarters.

APPENDIX A
REFERENCES

- (a) CNICINST 11103.4A
- (b) OPNAVINST 5009.1
- (c) OPNAVINST 11101.45
- (d) CNICINST 11103.2A
- (e) USD (AT&L) memo of 16 Apr 14, Enterprise Military Housing Information Management System
- (f) SECNAVINST 11101.73C
- (g) CNICINST 11103.6B
- (h) DOD-M 4165.63
- (i) 10 U.S.C.
- (j) UFC 4-711-01 Family Housing of 13 Jul 06
- (k) DOD 7000.14-R
- (l) ASN (FM&C) memo of 16 Mar 00
- (m) Public Law 111-117
- (n) CNIC M-11103.3
- (o) CNIC M-11103.1 CH-1
- (p) OMB Circular A-45
- (q) OSD Policy of 7 Apr 14, Use of Appropriated Funds on Privatized Housing
- (r) Office of the Secretary of Defense ltr of 22 Apr 13

APPENDIX B
GLOSSARY

Billeted Quarters – Those quarters designated for assignment to personnel filling billets to which those quarters are assigned. The installation and region are responsible for designating billeted quarters; the installation CO recommends billeted quarters and the region commander approves billeted quarters. The number of billeted quarters should be kept to a minimum to allow for maximum flexibility in assignment to quarters.

Department of Navy Representative (DON Rep) – As member, the DON participates in the LLC's decision and performance through the DON Rep. This is an individual of senior authority at the local or regional level who is well-positioned to represent and protect the DON's interests in the housing partnership—for example, the local housing authority or regional housing project manager. As the PPV process evolves, the DON's interests may be best represented by a regional manager.

Furnishings – Furniture, household equipment, carpet (when not installed as part of the unit), draperies and miscellaneous items procured under special authority per reference (f). This includes special allowance household goods authorized for designated SCPs, such as china, glassware, silver, table linen, cutlery and kitchen utensils. In foreign areas, this includes equipment or appliances normally provided as part of the housing unit in the United States, such as moveable kitchen cabinets, wardrobes or light fixtures.

General and Flag Officer Quarters – A family housing unit under Navy control that is assigned to a Flag or General Officer (including those selected to O-7), or a DoD civilian equivalent. GFOQs are designated specifically for occupancy by the ranks of O-7 (and select) and above personnel. The unit may be a single structure or part of a multiple-family building, including grounds, walks, patio, privacy fence, utility service lines, carport, garage, driveway or other paved areas, and other structures on the grounds for the exclusive use of the residents.

Housing Authority – The region commander or installation CO who has the housing plan account responsibility or responsibility for the implementation of housing policy, or both.

Improvements – Alterations, additions, expansions and extensions including rehabilitation of a housing unit.

Incidental Improvements – Minor construction or improvements funded from the routine maintenance account for Navy-owned and leased GFOQs. Installations are limited to a total expense on such improvements of \$3,000 annually. This is a cumulative total, in other words, several small tasks may not total more than \$3,000 per year per quarter.

Managing Member – The owner of the privatized housing project. The managing member is responsible for funding all maintenance, operations and utilities for privatized GFOQs. Service

Members sign leases with the managing member upon moving into a privatized GFOQ and this creates a landlord and tenant relationship.

Privatized GFOQ – A family housing unit assigned to an officer of pay grade O-7 and above (including those selected to O-7) or DoD civilian equivalent that has been privatized under the authority of reference (i), section 2872. Under this authority, a managing partner is responsible for the operation and maintenance of the home. Privatized GFOQs are not Navy-owned nor controlled, but are subject to Navy policy. These units are also known as Executive Homes.

Request Beyond Budget/Scope – These are requests generated by the Service Member that will cause the approved furnishings allowances in Appendix C to be exceeded, for items not included in Appendix C, for additional services (more frequent trash pickups, etc.), or for required M&R expenses not currently in the budget for the home. They may also be requests to remain in PPV or Navy-owned quarters beyond the retirement date or longer than 10 days after assignment outside of the current housing area. All such requests must be signed by the Service Member. These requests cannot be delegated to spouses or any military staff member. They are then endorsed by the region and approved or disapproved by CNIC or forwarded to VCNO for adjudication, except for extensions to remain in quarters. In no case will the individual exercising this authority approve an exception to this policy or regulation herein for his or her own dwelling or the dwelling of a person of an equal or more senior rank.

Special Command Position – A position designated by OSD. SCPs are authorized additional furnishings as detailed in Appendix C. A list of current SCPs is included in Appendix F.

Six-Year Maintenance Plan – A long-range plan for Navy-owned or leased GFOQs covering a 6-year period used to budget for routine preventive maintenance, grounds maintenance, M&R and improvements. The plan details the scope and total cost of projected major M&R, minor alterations and improvements to include work planned for change of occupancy. This plan defines GFOQ requirements, which are integrated into the Navy family housing master plan to prioritize funding allocations. The plan contains information for the past year, current year and 4 future years.

Table B-1
Acronym List

ABBREVIATED	PHRASE
A	
ASN	Assistant Secretary of the Navy
ASN (EI&E)	Office of the Assistant Secretary of the Navy (Energy, Installations and Environment)
AT/FP	Antiterrorism and Force Protection
B	
BAM	Business Agreement Manager
C	
CNIC	Commander, Navy Installations Command
CO	Commanding Officer
D	
DoD	Department of Defense
DON	Department of the Navy
DON Rep	Department of the Navy Representative
E	
eMH	enterprise Military Housing
F	
FH	Family Housing
FH, N	Family Housing, Navy
G	
GFOM	General and Flag Officer Module
GFOQ	General and Flag Officer Quarters
H	
HA	Housing Authority
HQ	Headquarters
I	
IPD	Installation Program Director
L	
LLC	Limited Liability Company
M	
M&R	Maintenance and Repair
O	
O&M	Operations and Maintenance
OASN	Office of the Assistant Secretary of the Navy
OSD	Office of the Secretary of Defense
P	
POC	Point of Contact
PPV	Public-Private Venture

Q	
QCR	Quarterly Cost Report
R	
RFP	Request for Proposal
S	
SCP	Special Command Position
SIC	Special Interest Code
SOQ	Senior Officer Quarters
SOW	Statement of Work
SYMP	Six-Year Maintenance Plan

APPENDIX C
FURNISHINGS ALLOWANCES

The following is a list of furnishings options for SCP incumbents, General and Flag Officers, and Flag selectees. Furnishings from the following table are authorized, but are not required. These furnishings are intended to supplement personal furnishings, not replace them. SCP Flag Officers, as appointed by OSD, generally have greater entertainment responsibilities or are assigned to quarters that may require additional supplemental furnishings. When that is the case, SCP Flag Officers may choose items listed under “Special Command Position” in the table below. All other Flag Officers and Flag selectees may choose furnishings, as appropriate and required, from the corresponding column.

Part A: Room and Outdoor Furnishings		
ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
LIVING ROOM		
Sofa	As required	1
Love seat	As required	1
Easy chair	As required	2, in lieu of wing back chairs
Wing back chair	As required	2, in lieu of easy chairs
Desk chair	1 per desk	Not authorized
Desk	As required	Not authorized
Desk lamp	1 per desk	Not authorized
Floor lamp	As required	As required, when existing light fixtures are inadequate
Table lamps	As required	1 per table
Bookcase	2, if not built in	1, if not built in
End tables	As required	2
Coffee table	1 per sofa	1
Occasional table	As required	As required
Ottoman	As required	1
Framed mirror	1	1
Fireplace set and screen	1 per fireplace	1 per fireplace
Window treatments	As required	As required
Area rugs	As required, when no carpet installed	As required, when no carpet installed
DINING ROOM		
Dining table	1	1
Table pad	1	1
Dining arm chair	2	2

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Dining side chair	As required, not to exceed the seating capacity of the dining table, less the two dining armchairs	As required, not to exceed the seating capacity of the dining table, less the two dining armchairs
China cabinet	1, if not built in	1, if not built in
Buffet	As required	1, in lieu of server
Server	As required	1, in lieu of buffet
Serving or tea cart	1	Not authorized
Framed mirror	1	1
Floor lamp	As required	As required
Table lamp	As required	2 per buffet or server
Window treatment	As required	As required
Area rugs	As required, when no carpet installed	As required, when no carpet installed
KITCHEN		
Kitchen table	1	Not authorized
Kitchen chairs	4	Not authorized
Bar stool	4, for eating counter in lieu of kitchen table and chairs	Not authorized
Step stool	1	Not authorized
Clothing locker	1, if no closet exists	Not authorized
Window treatments	As required	Not authorized
MAIN HALLWAY		
Occasional table	As required	1
Arm chair	2	2
Table lamp	1 per occasional table	1
Floor lamp	1	1
Framed mirror	1	1
Window treatment	As required	As required
Area rugs	As required, when no carpet installed	As required, when no carpet installed
FOYER OR ENTRY WAY		
Library table	1	Not authorized
Occasional table	As required	1
Writing desk	1	1
Desk chair	1	1

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Easy chair	As required	1
Desk lamp	As required	1
Table lamp	As required	1
Floor lamp	As required	1
Bookcase	1, if not built in	1, if not built in
Coat rack	As required	As required
Framed mirror	As required	1
Artificial plants	As required	Not authorized
Window treatment	As required	As required
Area rugs	As required, when no carpet installed	As required, when no carpet installed
LIBRARY OR DEN		
Sleeper sofa	1	1
Easy chair	2	1, in lieu of wing back chair
Wing back chair	2	1, in lieu of easy chairs
Desk chair	1	1
Desk	1	1
Desk lamp	1	1
Floor lamp	As required	As required
Table lamps	As required	1 per table
Bookcase	As required, if not built in	1, if not built in
End tables	As required	2
Coffee table	1	1
Occasional table	As required	1
Ottoman	1	1
Magazine rack	1	1
Fireplace set and screen	1 per fireplace	1 per fireplace
Window treatments	As required	As required
Area rugs	As required, when no carpet installed	As required, when no carpet installed
GUEST BEDROOM		
Bed frame	As required	Not authorized
Headboard	Size and type as required	Not authorized
Mattress	Size and type as required	Not authorized
Box spring	Size and type as required	Not authorized
Bed linen and pillows	As required	Not authorized

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Night stand	1 per twin, 2 per queen bed	Not authorized
Table lamp	1 per night stand	Not authorized
Dresser	1	Not authorized
Dresser mirror	1 per dresser	Not authorized
Framed mirror	1, in lieu of dresser mirror	Not authorized
Chest of drawers	1, in lieu of dresser	Not authorized
Side chair	1	Not authorized
Wardrobe	1, if not built in or no closet	Not authorized
Window treatments	As required	Not authorized
PORCH, PATIO, DECK		
Outdoor dining table with umbrella and base	4	2
Outdoor dining chairs	4 per table	4 per table
Porch chairs	2	2
Chaise lounge	4	2
Glider or settee	2	Not authorized
Patio end table	1	1
Table lamp	1 per table	1 per table
Portable gas grill	1 (propane gas not provided)	Not authorized
Covers for outdoor furniture and equipment	As required	As required
Part B: Appliances, Kitchen and Other Miscellaneous Equipment		
ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
KITCHEN APPLIANCES		
Refrigerator with icemaker	As required	2
Food freezer or third refrigerator (without icemaker)	As required	1
Free-standing ice machine	1	1
Range	As required	1
Double oven	As required	1
Microwave oven	1	1
Food warmer	1	Not authorized
Dishwasher	2	1
Trash compactor	1, if not built in	1, if not built in

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Wine cooler	1	Not authorized
LAUNDRY ROOM		
Clothes washer	2	1
Clothes dryer	2	1
MISCELLANEOUS		
Vacuum cleaner with attachments	1	Not authorized
Carpet cleaner with attachments	1	Not authorized
Interior name plaque with record of residents	1	1
KITCHEN EQUIPMENT		
Ice cream maker	1	Not authorized
Food processor	1	Not authorized
Blender	1	Not authorized
Mixer	1	Not authorized
Pots and pans	As required	Not authorized
Kitchen utensils	As required	Not authorized
Coffee pot or urn	As required	Not authorized
Other small kitchen appliances	As required	Not authorized
TABLEWARE		
Charger plate	24/24	Not authorized
Dinner plate	24/24	Not authorized
Salad/dessert plate	24/24	Not authorized
Bread/butter plate	24/24	Not authorized
Cream soup & stand	24/24	Not authorized
Demitasse cup/saucer	24/24	Not authorized
Tea cup/saucer	24/24	Not authorized
Soup tureen	2	Not authorized
GLASSWARE		
Goblet, water	24/24	Not authorized
Glass, white wine	24/24	Not authorized
Glass, red wine	24/24	Not authorized

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Glass, cordial	24/24	Not authorized
Champagne flute	24/24	Not authorized
Glass, iced beverage	24/24	Not authorized
Glass punch bowl with 24 cups and 1 ladle	2	Not authorized
SILVER FLATWARE		
Knife, dinner	24	Not authorized
Knife, butter	24	Not authorized
Knife, steak	24	Not authorized
Fork, dinner	24	Not authorized
Fork, salad	24	Not authorized
Fork, cocktail	24	Not authorized
Fork, dessert	24	Not authorized
Spoon, soup	24	Not authorized
Spoon, demitasse	24	Not authorized
Spoon, teaspoon	24	Not authorized
Spoon, iced tea	24	Not authorized
Double-drawer silver chest	As required	Not authorized
Part C: China, Glassware, Silver and Table Linen		
ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
SILVER HOLLOW-WARE SERVING PIECES		
Coffee pot	2	Not authorized
Tea pot	2	Not authorized
Cream pitcher	2	Not authorized
Sugar bowl with lid	2	Not authorized
Sugar spoon	2	Not authorized
Serving tray, 13 inch	4	Not authorized
Serving tray, 15 inch	4	Not authorized
Bread tray, 13 inch	2	Not authorized
Platter, 18 inch	4	Not authorized
Gravy set, ¾ pt	4	Not authorized
Gravy ladle	4	Not authorized
Vegetable dish, 2 qt with pyrex liner	2	Not authorized
Meat fork	4	Not authorized
Salad serving spoon	2	Not authorized

ITEM	SPECIAL COMMAND POSITION	GENERAL OR FLAG OFFICERS AND FLAG SELECTEES
Salad serving fork	2	Not authorized
Dessert server	2	Not authorized
Large serving spoons	4	Not authorized
Compote	4	Not authorized
Pitcher, 2 qt	4	Not authorized
Candelabra, 3-branch pair	2	Not authorized
TABLE LINEN SET		
Tablecloth	3, to fit size and configuration of primary dining table	Not authorized
Placemats	48	Not authorized
Napkins	48	Not authorized

APPENDIX D
MAINTENANCE AND REPAIR OF NAVY OWNED AND LEASED QUARTERS

1. Change of Occupancy Maintenance. Change of occupancy M&R work on housing units when occupancy changes, including:

- a. Cleaning over and above occupant responsibilities.
- b. Restoration of interior walls. Depending upon conditions, patch and repaint walls and ceilings as required, typically every 3 years. Paint will be a neutral color.
- c. Repairing floors.
- d. Cleaning carpets, window coverings, light fixtures and chimneys.
- e. Service of heating, air conditioning and ventilation systems, inspection and cleaning air ducts.
- f. Performance of minor M&R throughout, including electrical and plumbing fixtures.
- g. Restoration and painting of exterior surfaces.
- h. Inspection and repair of structure and infrastructure (roof, attic, crawlspace and pavements).
- i. Service and repair of windows and doors.
- j. Application or renewal of barrier pesticides (SIC 10).
- k. Replacement or repair of interior and exterior caulking and weather seals.
- l. If time permits, additional M&R work may be done during the change of occupancy consistent with the SYMP.

2. Grounds Maintenance. SCPs are authorized government-provided grounds maintenance, which is charged against the \$35,000 M&R limit. All other GFOQ residents are responsible for the care of grounds for their exclusive use. Exceptions may be granted by CNIC in those instances where the area for exclusive use is extremely large or the residence is prominently located and makes a unique contribution to the appearance of the Installation.

- a. Waivers for government-provided grounds maintenance may include cutting grass, edging next to hard surfaces, raking and maintaining small shrubbery (see Table 4-2).

b. When the government provides grounds maintenance beyond the capability of the resident, costs are prorated and charged to the benefiting GFOQ, and the \$35,000 M&R limitation applies.

c. When enlisted aides perform resident ground maintenance responsibilities in their role of caring for the assigned quarters, no costs are charged to the GFOQ.

d. Waiver requests are submitted to CNIC for approval by the installation via the region. Request packages will consist of the following:

(1) The size, in acres and square footage, of the grounds associated exclusively with the GFOQ.

(2) A description of unique circumstances that preclude the resident from caring for the assigned grounds area of responsibility, such as:

(a) The resident fills a SCP.

(b) The assigned exclusive use grounds are in excess of one-half acre.

(c) Quarters are prominently located, make a unique contribution to the appearance of the installation, and are significantly more prominent and unique than surrounding homes and grounds maintained by their resident.

(d) Overseas security concerns for which other extraordinary measures are routinely taken.

(3) Photographs and site plans of the grounds (and surrounding area) if the waiver requested is based on prominent location and appearance. Photographs must be clear and concise.

(4) Estimated annual cost of resident's portion of grounds care, including cutting, trimming and watering of lawns within the exclusive use area of the house. If the waiver is granted, the grounds assigned to the GFOQ will be maintained by the government using FH, N funding and charged to SIC 20.

3. **SYMP.** The SYMP is a long-range plan covering a 6-year period, which outlines M&R and improvement requirements for each GFOQ. It identifies individual items of work and associated costs by fiscal year in five main categories: operations (including management, services, utilities and furnishings); annual routine maintenance, preventive maintenance and minor repairs; change of occupancy costs; major repairs; and improvements.

a. All GFOQs, owned and leased, are required to maintain a SYMP as part of their annual budget submission. The premise of the SYMP is that the conditions described in the 6-year period covered are supported by a rigorous facilities inspection covering all aspects of the quarters, including infrastructure (electrical, mechanical, plumbing, communications systems), substructure, structure, exterior walls, interior partitions, windows, doors, interior wall coverings, interior floor coverings and other real property chargeable to the quarters, e.g. garages, gazebos, grounds, sidewalks, driveways.

(1) The SYMPs should be reviewed by installations and regions on a yearly basis at the time of the budget submission. The column for the fiscal year for that cycle's submission will become the region's budget submission for that fiscal year.

(2) Installations will maintain their plans within the GFOQM in eMH. When preparing the SYMP, the following guidelines must be followed:

(a) Combine like work, either repairs or improvements, in the same fiscal year.

(b) Ensure repairs or improvements are classified correctly.

(c) CNIC policy is to use whole-house improvements vice incremental projects to the maximum extent possible. Whole house improvements generally cost less than incremental repairs.

(d) Keep M&R budgets under \$35,000 wherever possible.

b. The plan is the basis for the annual budget and is used for planning, approval and execution of funds. Budgets will reflect and be approved based upon the SYMP.

4. Facility Work

a. M&R costs for exterior utilities (e.g., connection between main and house of water, gas, wastewater, communications, fiber optics and alarm systems) will be charged to the quarters only for that portion within five-feet from the exterior wall per DoD financial management regulations.

b. Installed carpet, including pad, is considered an alternate floor finish and therefore an integral part of the residence and counted against the \$35,000 limit. Installation and cleaning of carpeting is charged against the \$35,000 annual M&R limit. Carpet in neutral colors or patterns may be installed in all living areas, except for those areas subject to moisture, such as kitchens, bathrooms, powder rooms, patios, porches and other areas exposed to the weather.

c. Window coverings (e.g., shades, shutters, plantation shutters, blinds, shoji screens and persianas) and associated hardware are considered an integral part of the house and should be

provided on all windows throughout the house, including porch and patio windows. Window coverings, their installation, M&R and cleaning are charged against the \$35,000 annual limitation. Window coverings must be chosen in neutral colors. Per reference (r), OSD strongly urges all installations to cease using corded blinds as window coverings.

d. Wall coverings are authorized in specific areas of the residence. Wall coverings must be of a neutral color and pattern and of a quality and durability to last through successive residents. Wall coverings are charged against the \$35,000 annual M&R limit.

(1) Neutral wall coverings and decorative borders are authorized in kitchens, powder rooms and bathrooms. They may also be installed below any chair railing in designated public entertainment areas, such as living rooms, dining rooms and the foyer. Wall coverings are not to be used over ceilings or paneling. Neutral colors are beige, gray, taupe or off-white in light to medium values that provide a flexible background that can integrate with the décor of successive occupants.

(2) GFOQ occupants may install borders and accents over other painted surfaces at their own expense. Residents are responsible for returning the walls to their original condition when these items are removed upon transfer.

e. United States national, combatant command, Service and host nation flags may be purchased and installed using M&R funds (SIC 20). Charge authorized flags against the annual M&R limit. Surface mounted brackets and associated poles may be installed and charged to SIC 20.

f. Government resources may not be expended on a GFOQ for the purpose of providing personal services to the occupant or as a sole personal benefit. For example, an occupant's personal chandelier will not be installed using government labor or contract, nor will outlets be installed for hot tubs at the government's expense.

g. Holiday decorations, gas for portable grills, wood for fireplaces, fish or fish food for ponds, will not be purchased with appropriated funds.

h. Consumable products of any kind, such as cleaning supplies, may not be purchased with appropriated funds.

i. Outdoor living spaces, such as covered patios, porches or decks, may not be climate controlled with heating or cooling equipment procured with FH, N appropriated funds.

APPENDIX E
APPROVAL AUTHORITY OR CHAIN FOR REQUESTS BEYOND BUDGET/SCOPE FOR
GENERAL AND FLAG OFFICER QUARTERS

APPROVAL AUTHORITY OR CHAIN FOR REQUESTS BEYOND BUDGET/SCOPE FOR GENERAL AND FLAG OFFICER QUARTERS				
ACTION: I = Initiate V = Via or Endorsement D = Decision				
ACTIONS	Service Member	Region	CNIC	OASN/CNO
PPV General and Flag Officer Quarters (GFOQ) Residents				
Maintenance, improvement or construction work not programmed by the Public-Private Venture (PPV) limited liability company (LLC) in the current year PPV budget (all ranks)	I	V	V	D
Navy-Owned or Leased GFOQ Residents				
Grounds maintenance waivers	I	V	D	
Changes to maintenance scope of work within the current year budget	I	V	D	
Exceptions to furnishings cost limits (annual and 5-year limits) (requestor is one- or two-star Flag Officer)	I	V	D	
Exceptions to furnishings cost limits (annual and 5-year limits) (requestor is three- or four-star Flag Officer)	I	V	V	D
All GFOQ Residents				
Extension in quarters	I	V	D	
Exceptions to number of pets in unit	I	V	D	

Replacement of appliances not at the end of their useful life (requestor is one- or two-star Flag Officer)	I	V	D	
Replacement of appliances not at the end of their useful life (requestor is three- or four-star Flag Officer)	I	V	V	D
Furnishings not specifically authorized in Appendix C (requestor is one- or two-star Flag Officer)	I	V	D	
Furnishings not specifically authorized in Appendix C (requestor is three- or four-star Flag Officer)	I	V	V	D
Furnishings in increased amounts than are specifically authorized in Appendix C (requestor is one- or two-star Flag Officer)	I	V	D	
Furnishings in increased amounts than are specifically authorized in Appendix C (requestor is three- or four-star Flag Officer)	I	V	V	D

APPENDIX F
NAVY HOUSING SPECIAL COMMAND POSITIONS

Special Command Position	Location	Navy or PPV
O-10 Chief of Naval Operations	Washington, DC	PPV
O-10 Vice Chief of Naval Operations	Washington, DC	PPV
O-10 Commander, U.S. Pacific Fleet	Hickam, HI	PPV
O-10 United States Fleet Forces Command	Norfolk, VA	PPV
O-10 Director, Naval Nuclear Propulsion	Washington, DC	PPV
O-10 Commander, U.S. Naval Forces/Europe/Africa	Naples, Italy	Navy
O-9 Commander, U.S. Naval Forces Central Command/Commander, U.S. FIFTH Fleet/Commander, Combined Maritime Forces	Naval Support Activity, Bahrain	Navy
O-9 Superintendent, United States Naval Academy	Annapolis, MD	PPV
O-9 Commander, U.S. SEVENTH Fleet	Yokosuka Naval Base, Japan	Navy
O-9 Commander, U.S. SIXTH Fleet/Deputy Commander, U.S. Naval Forces/Europe, Africa	Naples, Italy	Navy
O-9 President, Naval War College	Newport, RI	PPV
O-8 Superintendent, Naval Post-Graduate School	Monterey, CA	PPV (Army)
O-8 Commander, U.S. Naval Forces, Japan	Yokosuka Naval Base, Japan	Navy
O-8 Commander, Logistic Group Western Pacific	Port of Singapore, Singapore	Navy
O-8 Commander, Joint Region Marianas	Joint Base Guam	Navy
O-10 Commander, U.S. Pacific Command	Camp H.M. Smith, HI	PPV
O-9 Commander, Marine Forces Atlantic	Hampton Roads, VA	PPV
O-9 Commander, Marine Forces Pacific	Camp H.M. Smith, HI	PPV
O-7 Commander, Joint Forces Staff College	Hampton Roads, VA	PPV

APPENDIX G
SAMPLE EXECUTIVE HOME COST REPORT

ADDRESS: 111 Main Street
QTRS NAME: Qtrs ZZ **INSTALLATION:** NSA Anywhere
GROSS SQUARE FEET: 3,300
NET SQUARE FEET: 2,950
RANK: O-7
DATE OCCUPIED: 11/15/2012
LEASE TERMINATION: 10/31/2015
(DATE PROJECTED)

A	B	C	D	E	F	G	H	I
LINE ITEM	Previous Year Expenses	Current Year Budget	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Expenses to Date	Balance
MANAG- EMENT	1,875	2,500						2,500
SERVICES	925	1,000						1,000
UTILITIES	7,825	6,700						6,700
FURNIS- HINGS AND APPLIANCES	550	1,000						1,000
TOTAL OPERATIONS	11,175	11,200						11,200
MAINT- ENANCE OPERATIONS	21,649	36,400						36,400
GROUNDS	6,200	8,000						8,000
TOTAL MAINT- ENANCE or REPAIRS	27,849	44,000						44,000
CAPITAL IMPRO- VEMENTS								

GRAND TOTAL	39,024	55,600						55,600
Cost of major renovations that have been approved to be completed during the initial development period:								

GFOQ Furnishings and Equipment (Details)

Interior Items

Category	Detailed Description	Cost	Conforms to Appendix C?
Furniture			
Lighting			
Carpet/Rugs			
Art/Decor			
Kitchen Appliances			
Indoor Equipment			
Other Items Or Fixtures (Specify)			

Exterior/Outdoor Items

Category	Detailed Description	Cost	Conforms to Appendix C?
Furniture			
Lighting			
Decor			
Grill/Cooking Appliances			
Outdoor Structures			
Other Items Or Fixtures (Specify)			

EXECUTIVE HOME REPORT DEFINITIONS:

1. Operations

a. Management. Cost of management, administration and support type services, including management office personnel, supplies, equipment and utilities pertaining to property management functions.

b. Services. Includes the costs of the following types of authorized services: fire protection, police protection, entomological services, custodial services, snow removal, street cleaning and any other authorized services for FH.

c. Utilities. All utilities consumed in FH, such as electricity, water, sewage, gas fuel, oil or other heating fuels. Excludes the M&R of utility systems.

d. Furnishings. Initial acquisition, M&R and replacement of furnishings, furniture or movable household equipment. Includes control, handling, record keeping, moving furniture into or out of units, charge for connecting equipment and handling costs incident to storage.

2. Maintenance and Repairs

a. Maintenance. Includes service calls; routine maintenance scheduled annually or more frequently; repairs and replacements of major components and installed equipment; interior or exterior painting; contract cleaning between changes of occupancy, where authorized; maintenance of exterior utilities, driveways, sidewalks, parking areas and fences.

b. Repairs. Specific jobs that provide for the accomplishment of a unique job or service.

c. Grounds. Maintenance, care and repair of improved and unimproved grounds, storm sewerage and drainage structures.

3. Improvements. Capital improvements, including alterations and additions, expansions, extensions and any other alteration to the existing real property.

4. Instructions

a. Column B is previous year expenses. It should only be filled in after 1 full year of LLC operation.

b. Columns C through G should be filled in at each quarterly submission.

c. Column H automatically populates, based on input to columns C-G.

d. Column I is a running calculation.

APPENDIX H
SAMPLE EXECUTIVE HOME JUSTIFICATION FOR EXCEEDING THE BUDGET

DD MMM YY

From: Managing Member
To: Commander, Navy Installations Command
Via: (1) Region Navy Representative
(2) Region Commander

Subj: REQUEST OR JUSTIFICATION TO EXCEED BUDGET CAP FOR QRTS ZZ

1. Region: Any Region
2. Name of Quarters: Qtrs ZZ
3. Gross Square Feet: 3,300
4. Proposed Budget Amount: \$55,600
5. Original Budget Amount (if this is a mid-year submission): N/A
6. Detailed explanation, including costs and scope of work, which will cause the budget to exceed \$50,000, including utilities. The budget for this quarters will exceed \$50,000 due to the following proposed work:
 - a. Whole-House Interior Painting (\$11,000). The interior painting can no longer be deferred. This is a non-recurring expense and will only be required every seven years, with necessary touch-up painting at subsequent changes of occupancy.
 - b. Sidewalk Repairs or Cracks, Broken Concrete or Level (\$4,900). The existing disrepair of cracks and broken concrete in various places now pose a hazard to residents and visitors. This is a safety issue that needs to be corrected. This is also a non-recurring expense.
 - c. Utilities are estimated to be \$14,000 for Calendar Year XX.

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APPENDIX I
SAMPLE EXECUTIVE HOME YEAR END JUSTIFICATION FOR EXCEEDING THE \$50K
BUDGET CAP/ EXCEEDING AN APPROVED BUDGET OF OVER \$50K BY 10% OR
MORE

DD MMM YY

From: Any Managing Member
To: Commander, Navy Installations Command
Via: Region Navy Representative
Region Commander, Any Region

Subj: NOTIFICATION THAT APPROVED BUDGET WAS EXCEEDED BY MORE THAN
10% FOR QRTRS ZZ

1. Region: Any Region
2. Name of Quarters: Qtrs ZZ
3. Gross Square Feet: 3,300
4. Original Budget Amount: \$55,600
5. Actual Execution Amount: \$75,250 – *(completed cost report for the CY must be included in the submission showing the actual execution by category. The total expenses must match those shown here).*
6. Detailed explanation, including costs and scope of work, which caused the budget to exceed its approved amount, including utilities. The expenses for this quarters exceeded its approved budget due to the following unanticipated reasons:
 - a. Utilities. The utilities were \$3,505 more than budgeted due to a colder than expected winter, which drove up the electric bill for this all-electric house.
 - b. The water heater leaked while the residents were not home. The water heater needed to be replaced at a cost of \$2,600 and repairs to the hardwood floor, baseboards and paint were \$13,545.

//S//

This notification is also used if the original budget was under \$50K but exceeded that cap without prior approval. Include the final cost report for the CY along with this justification/explanation when submitting the notification to CNIC.