2010
Environment, Energy Security & Sustainability Conference

IMPLEMENTATION OF COST REPORTING AND FUND REIMBURSEMENT TRACKING IN EESOH-MIS HW MODULE

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# Implementation of Cost Reporting and Fund Reimbursement Tracking in EESOH-MIS HW Module

## Abstract
Presented at the NDIA Environment, Energy Security & Sustainability (E2S2) Symposium & Exhibition held 14-17 June 2010 in Denver, CO.

## Subject Terms
Introduction

- Fund Reimbursement and Cost Tracking
- Why is it important?
- Tools to help; EESOH-MIS
- Benefits
Drivers

➢ Why Worry About It?

➢ It is now Air Force policy that tenants will begin paying their own way:
  ▪ Air Force Instruction 32-7042, *Waste Management*
  ▪ Air Force Instruction 65-601, *Budget Guidance and Procedures*
  ▪ AF Playbook, standardized business practices
AFI 32-7042, Waste Management

2.5. Host-Tenant Support.

2.5.1. The Air Force supports the HW disposal needs of both Air Force and DoD tenants on Air Force installations.

... 

2.5.4. The tenant will reimburse the installation IAW AFI 65-601 Volume 1, for all waste disposal costs that exceed $125 for any calendar quarter and as documented in a host-tenant agreement. If a tenant organization’s accumulated charges do not exceed $125 per calendar quarter, the installation can use its discretion to waive billing the tenant.
7.10. Billing Tenants:

...  

7.10.2. You may waive billings when the accumulated charges against a reimbursable tenant don’t exceed $125 for any calendar quarter.  

**EXCEPTION:** Don’t apply this waiver to DWCF transactions or support.
Air Force Policy

Air Force Playbook

Hazardous Waste Management: High Level Map – Version 4/30/2010

1. Managing a Hazwaste Generating Activity
2. Hazwaste Accumulation and Handling
3. Hazwaste Disposition
4. Non-RCRA/Other Regulated Waste
5. Universal Waste
6. Funding and Reimbursements
### Air Force Policy

**Air Force Playbook - Draft**

**6.1.3** Organization Host Funded?

- **6.1.4.** Review Support Agreements and Update as Necessary
- **6.1.5.** Determine Payment Mechanism
- **6.2.** Establish Payment Mechanism and Execute Payment Process

<table>
<thead>
<tr>
<th>Hazardous Waste Management</th>
<th>6.1 Determine Funding Process – Version: 2/19/2010</th>
</tr>
</thead>
</table>

**FM**

- **6.1.2** Identify Reimbursement Eligible Organizations

**Programs Office**

- **6.1.3** Organization Host Funded?

**HW Manager**

- **6.1.1** Request Identification of Reimbursement Eligible Organizations
- **6.1.4** Track for Metric and Budgeting Purposes
- **6.1.5** Determine/Update Funding Requirements Process

- **6.1.6** Establish Payment Mechanism and Execute Payment Process
Air Force Policy

Air Force Playbook - Draft

6.3.3 EQ Eligible?

6.3.6 Input into ACES-PM

“Front-End” Process: AF Business Practice

1. The funding process begins with programming funding requirements into the **Air Force Automated Civil Engineer System (ACES PM)**.

2. Funding programmed into ACES PM is coordinated through HQ and Air Staff for final authorization.

3. **Fiscal year funding documents** are sent to the Wing Financial Management Office. Base CE creates funding documents using the Automated Business Services System (ABSS) subject to an approval process (e.g., Requestor, RA, FM, etc.).

4. Approved funding (i.e., HW disposal) is made available via AF Form 406, the **Miscellaneous Obligation/Reimbursement Document (MORD)**. The MORD is created in ABSS, certified by FM, and funds are posted quarterly.

5. The **Fund Code** is provided to the requisitioner to indicate to the Defense Supply Centers (DSC) that funds are available to pay the charge when and where received.

6. **Standard AF Form 1080** is used to transfer funds between accounts. Financial Management (FM) verifies and sends to Defense Finance and Accounting Service (DFAS) who does all the dispersing for all DOD funding.

7. Bases using DRMO as a disposal avenue do so using the **DD Form 1348**. DD Form 1348 is used to authorize the Defense Accounting and Finance Service (DFAS) to obligate funds.

8. Non-DRMO bases, several contract vehicles such as:
   - AF Form 9
   - DD Form 1155
   - AF Form 4009, GPC
   - Blanket Purchase Agreement (BPA)

9. The **Military Standard Billing System (MILSBILLS)** is the system used to produce the Inter-fund bill. Funding for hazardous waste disposal is arranged through the MILSBILLS Inter-fund system.

10. Analytical costs provided by commercial laboratories through **Purchase Agreements**; they provide a price list and we agree to it.

11. Service costs associated with waste management are reimbursable to CEG/CEVC and are negotiated with base Organizations sufficient to cover the cost of contracted hazardous waste management.
Options

Two reimbursement options:

1) Macro, Estimated

✓ Negotiate with tenants and Organizations to develop a formula to assign waste management costs.

The advantage to this method is its simplicity and ease to implement. The disadvantage is that it does not have as large a waste minimization/EMS impact, it is subjective and non-standardized – each installation must develop.

2) Granular, Detailed

✓ Use generally-accepted accounting principles built into the EESOH-MIS HW module functionality to assign near exact costs to the Organization responsible for the waste management costs.

The advantage to this method is its defensibility, the incentives it provides for waste and cost minimization - small efforts on the generators part are immediately reflected in the next bill cycle providing an important “yard-stick” for an installations EMS effort. The disadvantage is that it is more maintenance intensive and complex to implement.
In EESOH-MIS HW, a DODAAC(s) (Department of Defense Activity Address Code) are established at the Organization level.

The Fund Code is recorded at the Waste Site/Waste Stream level on a per Organization basis.

Account Codes are used to track waste management costs back to “cost categories” (i.e. “Account Code Type”) for the responsible Org.

- Disposal Account Code
- Laboratory Account Code
- Handling Account Code
- Supplies Account Code

Services/handling costs are tracked to the container and Organization level. (i.e. spills, rag laundering, equipment costs, roll-off rental, etc).

A QC check is performed prior to billing (i.e. does the weight make sense for the given container, etc).

Required data validated to be present (i.e. if a sample was ordered is the cost present?; if the waste was disposed is the disposal charge present?)

Disposal costs for alternate TSD/CLIN changes and weight discrepancies are reconciled.

Bill cycles are utilized for billing. If costs change for any reason these costs are identified and accounted for.

Cost data “silo’s” or archive stores data once billed.

EESOH-MIS HW does not prepare “invoices” but provides necessary data/details.

Service costs are reimbursable to CEG/CEVC and are negotiated with base Organizations sufficient to cover the cost of contracted hazardous waste management costs.
A DODACC and Fund Code is assoc. w/ an Organization

A

B
The disposal cost is associated with a Waste Profile via CLINS. CLINS are created via Manage Contracts.

**Details:**
- **Disposal Avenue/Cost**
  - Indicating a required field.
  - CLINs are selected from the Waste Profile.
  - CLINS are created via Manage Contracts.

**CLINS:**
- Indicates a required field.
  - CLINs are selected from the Waste Profile.
  - CLINS are created via Manage Contracts.

**Contract Line Item Number (CLIN):**
- CLINs are selected from Manage Contracts.
  - CLINs are associated with specific contracts.
  - CLINs are used to specify disposal costs.
Handling, supplies, & lab costs and Account Codes are assoc. via the Waste Stream (E & F)
All costs (handling, supplies, lab and disp.) are assoc. by default w/ each container issued under a waste profile.

To change this you must go to the Manage Handling Cost Class (HCC) and Update the existing HHC or add another. Assign it to the container here.

Supplies cost is the only cost that is completely editable from the container.
Important Functionality

- **EDD**: Disposal data is updated electronically via a DRMS data interface. Modifications to contract are made automatically.

- **Cost Types**: All cost types (handling or service costs; disposal costs; analytical costs (for waste verification); other ancillary waste management costs (i.e. spills, IWTP sludge, rag laundering, etc) are tracked.

- **Bill Cycle**: Billing is done based on regular periodic billing statements issued to tenants.

- **Reconciliation**: Current billing data (i.e. disposal cost, handling cost, etc) is compared to previous billed data for the purpose of correcting one or both Information Sources.

- **Data Archive**: Data “silos” will ensure that bills do not change. Subsequent billing will appear on the corresponding bill cycle.

- **Cost Report and Metrics...**
### Cost Report

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<th>WBSN</th>
<th>Wt. or EHL (lb)</th>
<th>CUIN (Cost Unit)</th>
<th>Disposal Cost</th>
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**Notes:**
- Grade C: No Crew Container

**Reports:**
- Environmental Management Division

**Date:**
- 2/20/2010
MEMORANDUM FOR CEVC (Attn: Jason Dipweed)

FROM: CEVC

SUBJECT: December Inter-Fund Bills W0412, W0580, X0256 and X0396: Disposal of Hazardous Waste/Materials and DWIP Storage.

This letter is to certify that DRMS bills W0412, W0580, X0256 and X0396 have been verified.

<table>
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<tr>
<th>Bill No.</th>
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Page 1 of 3
Drivers

➢ Other Drivers?

– HQ will no longer subsidize hazardous waste management (services, disposal, sampling)

– Air Force Policy:
  › Air Force Instruction 32-7042, Waste Management
  › Air Force Instruction 65-601, Budget Guidance and Procedures
  › AF Playbook, standardized business practices will drive this

  ▪ Provide visibility and accountability to waste generators to drive waste and cost reductions

  ▪ Provide defensible, reproducible and auditable data

  ▪ Streamline, automate, and standardize Air Force procedures

  ▪ Executive Order 13423: Strengthening Federal Environmental, Energy, and Transportation Management
Comparison of FY05 to FY09 Waste Metrics

**FY05**
- Recycle, Energy, Reclamation, Reuse: 565.5 tons, 29%
- Non-Hazardous: 266.7 tons, 14%
- Hazardous: 1101.4 tons, 57%

**Total Mass:** 1933.6 tons

**FY09**
- Recycle, Energy, Reclamation, Reuse: 809.2 tons, 43%
- Non-Hazardous: 255.3 tons, 14%
- Hazardous: 798.6 tons, 43%

**Total Mass:** 1863.2 tons
Hill AFB Waste Management Costs

Hill AFB Waste Management Cost
FY05 thru FY09

* Metrics are base-wide
# Hill AFB Waste Management Metrics

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<thead>
<tr>
<th>METRIC</th>
<th>FY05</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY05-FY09</th>
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Benefits

- Compliance with Air Force policy
- Greater Defensibility and Accountability
- Consistency and Standardization
- Incentivizes: Waste AND Cost Minimization!
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