MEMORANDUM

From: Comptroller, Bureau of Naval Personnel
To: President, Naval Postgraduate School

Subj: FY 2018 REIMBURSABLE RATES AND FINANCIAL POLICIES AT NAVAL POSTGRADUATE SCHOOL

Ref: (a) ASN (FM&C) FMP email of 22 Sep 17 (NOTAL)
(b) ASN(FM&C) ltr Financial Management of Reimbursable Orders at NPS, 7000 of 06 Nov 15
(c) ASN(FM&C) ltr Reimbursable Research Overhead, 7000 of 12 May 16
(d) ASN(FM&C) Policy Memo 4-16, Reimbursable Work Order Financial Policies, 7000 of 27 Sept 16

Encl: (1) NPS Reimbursable Rates Top Level (Overhead/Production) 21 Jul 17

1. On 22 Sep 2017, the Assistant Secretary of the Navy (Financial Management and Comptroller (ASN (FM&C)), Official of Financial Policy (FMP-2), deferred the approval of Naval Postgraduate School’s (NPS) request for overhead reimbursable rate to the Comptroller, Bureau of Naval Personnel (BUPERS). This letter serves to convey that decision and directs NPS uses a reimbursable rate set at 24.99% in fiscal year (FY) 2018, based on the Labor and Travel cost methodology contained in enclosure (1).

2. Reference (b), as amended by reference (c), established financial procedures for reimbursable orders at the NPS. Reference (d) provides overall Department of the Navy (DoN) policy governing Reimbursable Work Orders (RWOs). The guidance below is provided to clarify reference (c) as follows:

   a. Signed RWO agreements will remain valid until expiration;

   b. New RWO agreements within the DoN must use DoN Form 7600A; and

   c. New RWO agreements outside of the DoN may use Department of Defense Form DD1144 or Treasury Form 7600A, in lieu of DoN Form 7600A, provided that all DoN Form 7600A content requirements are met.
3. The Comptroller, BUPERS, will work with the NPS to ensure compliance with reference (d), reduce the number of RWO transactions, and enhance the auditability of the program.

4. My point of contact for RWO policy matters is Ms. MariaFe McDermott-Cotton (PERS 706) at (703) 604-5269/DSN 224-5269, or email at mariafe.mcdermott-co@navy.mil.

\begin{center}
B. L. PAREL
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### Reimbursable Rates

#### Top Level (Overhead/Production)

**21-Jul-17**

**FY17 OVERHEAD REQUIREMENT**

<table>
<thead>
<tr>
<th>G&amp;A MISSION</th>
<th>G&amp;A REIMBURSABLE</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>REIMB</td>
<td>OTHERS</td>
</tr>
<tr>
<td>$36,412,549</td>
<td>$16,512,484</td>
<td>$2,101,989</td>
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</table>

**PROD MISSION**

<table>
<thead>
<tr>
<th>PRODUCTION REIMBURSABLE</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>TOTALS</td>
</tr>
<tr>
<td>$11,154,826</td>
<td>$3,234,199</td>
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**FY17 TOTAL G&A & PRODUCTION OVERHEAD**

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>REIMB</th>
<th>OTHERS</th>
<th>TOTAL REIMB</th>
<th>TOTALS</th>
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</thead>
<tbody>
<tr>
<td>$47,567,375.0</td>
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<td>$2,879,779.4</td>
<td>$22,826,461.6</td>
<td>$70,193,837</td>
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**FY15 ACTUAL PRODUCTION**

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</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>REIMB</td>
<td>OTHERS</td>
</tr>
<tr>
<td>$54,001,150</td>
<td>$130,330,590</td>
<td>$5,581,059</td>
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</tbody>
</table>

**Labor-Travel Method**

- Total Reimb Labor and Travel Costs Only: $79,030,460
  - G&A OH: $16,512,484
  - Production OH: $3,404,272
  - Total OH: $19,916,682
- Base Reimb = Total Reimb Labor & Travel Only OH: $79,030,460
- Indirect Rate = Total OH/Base Reimb: 24.99%

**FY16 Model had:**
- G&A OH: $17,017,729
- Production OH: $3,404,272
- Total OH: $20,581,501

**FY17 Model has:**
- G&A OH: $17,198,791
- Production OH: $1,993,462
- Total OH: $19,132,252