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From: Assistant Secretary of the Navy (Financial Management and Comptroller)

Subj: TRANSPORTATION INCENTIVE PROGRAM OUTSIDE THE NATIONAL
CAPITAL REGION FINANCIAL POLICY AND PROCESS

Ref: (a) DODINST 1000.27
(b) Office of the Assistant Secretary of the Navy (Financial Management and
Comptroller) memo dtd 21 Feb 02

Encl: (1) Department of the Navy Transportation Incentive Program Outside the National
Capital Region Financial Process

1. In accordance with reference (a), the Department of the Navy (DON) provides transit benefits to offset mass transit commuting costs to its active duty military members and civilian employees, including Non-Appropriated Fund employees. This subsidy reduces pollution and traffic congestion, preserves the environment, and expands transportation alternatives.
2. Effective 1 October 2016, this memorandum supersedes reference (b) and assigns the Field Support Activity as the office of primary responsibility for the DON Transportation Incentive Program (TIP) Outside the National Capital Region (ONCR). TIP ONCR includes all personnel whose duty station is located ONCR as defined in reference (a). The DON TIP ONCR financial process is outlined in enclosure (1).
3. Only those active duty military members and civilian employees who meet the eligibility criteria and who ride a Qualified Means of Transportation (QMOT) as defined in reference (a) may receive transit benefits. Transit benefit participants who use transit benefits but do not commute to and from work using a QMOT must repay the DON the value of the transit benefit used.



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DEPARTMENT OF THE NAVY
TRANSPORTATION INCENTIVE PROGRAM
OUTSIDE THE NATIONAL CAPITAL REGION
FINANCIAL PROCESS

BUDGET POLICY

- Transit benefits must be adequately funded from the same appropriation/fund that finances an individual's salary.
- Working Capital Fund (WCF) activities will finance this benefit for civilian personnel as an indirect cost that is charged to overhead accounts.
- Military personnel will be funded from the Military Personnel appropriation.
- Non-Appropriated Fund (NAF) employees will be funded from the NAF entity that funds the individual's wages or salary.
- Administrative costs associated with the services provided by the benefit provider and the sustainment costs of the Transportation Incentive Program System will be paid centrally from the Operations and Maintenance, Navy (O&M,N) appropriation.
- Costs should be reported in Object Class 12.1, Civilian Benefits, and 12.2, Military Personnel Benefits.
- Budget estimates should be based on actual transit benefit participant enrollment data.

FINANCIAL/ADMINISTRATIVE EXECUTION AGENT

- As the major command providing financial and administrative support for TIP ONCR, Field Support Activity (FSA) will serve as the office of primary responsibility or program office and appoint in writing a program manager to administer the program.
- FSA will be responsible to develop Department of the Navy (DON) policy and procedures for program administration, provide administrative oversight for local transit benefit programs and implement a comprehensive system of internal controls that provide reasonable assurance that the Transportation Incentive Program (TIP) Outside the National Capital Region (ONCR) is operating as intended.
- FSA has been delegated the responsibility to respond on behalf of the DON to routine congressional and executive branch inquiries related to TIP ONCR.
- FSA will facilitate the distribution of transit benefits by entering into an agreement on behalf of the DON with a benefit provider to distribute transit benefits to eligible employees whose duty station is located ONCR. Payment will be provided to the benefit provider via the Intra-governmental Payment and Collection system when possible.
- FSA will be the financial and administrative executive agent of the O&M, N appropriation portion of TIP ONCR and the central bill payer for all reimbursable customers, including NAF entities. For funding sources other than O&M, N, FSA will collect reimbursable funding from each appropriation, WCF activity group sponsor and NAF entity.

FINANCIAL EXECUTION

- Appropriation managers/WCF customers will provide a reimbursable order (NAVCOMPT Form 2275/2276A or DD Form 448) to FSA based on budget estimates.
 - The reimbursable order will include a statement specifying funding is for personnel using mass transportation or qualified vanpools in accordance with the TIP ONCR.
 - The reimbursable order must be received no later than 30 September of the fiscal year (FY) preceding planned execution. Activities must ensure that obligation phasing plans reflect annual TIP ONCR requirements in the first quarter of the fiscal year.
 - The document will cite funds for the year of execution, indicating on the document, "These funds are issued in anticipation of and contingent upon the enactment of a FY Continuing Resolution or FY Defense Appropriation Act, whichever comes first."
 - The initial funding document will finance the annual TIP ONCR even though Continuing Resolution Authority may be anticipated.
 - Adjustments to initial TIP ONCR reimbursable orders will be initiated by FSA as an amendment to the user's original work request.
 - Upon validation, billings against customer reimbursable orders will be adjusted to actual transit benefit expenditures on a quarterly basis.
- In accordance with Title 10, United States Code, Section 2492, NAF entities will annually establish a Memorandum of Agreement (MOA) with FSA to provide funding for NAF transit benefit participants.
 - The MOA will include a statement specifying funding is for NAF personnel using mass transportation or qualified vanpools in accordance with the TIP ONCR.
 - The MOA must be executed no later than 30 September of the fiscal year preceding planned execution and will cite the year of execution and the budget estimate for the entity's NAF personnel.
 - Funds to support the MOA will be provided quarterly using a check instrument or an electronic funds transfer process to support the central DON customer agreement with the benefit provider.
 - Upon validation, billings will be reconciled and adjusted to actual transit benefit expenditures on a quarterly basis.
 - Upon annual closeout, if any funds are due back to a NAF entity, a public voucher for purchases and services (Standard Form 1034) will be processed to return refunded or unused transit benefits back to the NAF entity.
- A waiver to the policy contained in Department of Defense Financial Management Regulation, Volume 11A, Chapter 2, paragraph 020515 requiring that a minimum of 51 percent of the work effort financed on a reimbursable order must be performed in-house by the receiving activity is hereby granted for TIP ONCR.
- TIP ONCR records will be maintained for ten years to support the DON's financial statement audit.