DEPARTMENT OF THE NAVY
BUREAU OF NAVAL PERSONNEL
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MILLINGTON, TN 38055-0000

BUPERSINST 7000.9
BUPERS-7
3 DEC 2010

BUPERS INSTRUCTION 7000.9

From: Chief of Naval Personnel

Subj: USE OF MEMORANDA OF AGREEMENT, MEMORANDA OF UNDERSTANDING, AND INTERSERVICE SUPPORT AGREEMENTS

Ref: (a) DoD 7000.14-R, Volume 11A, Chapter 1 of Aug 2009
(b) DoD Instruction 4000.19 of 9 Aug 95

Encl: (1) Sample Memorandum of Agreement

1. Purpose. This instruction offers guidance regarding the use of written agreements Memoranda of Agreement/Memoranda of Understanding, and Intragovernmental/Interservice Support Agreements (MOA/MOU/ISSA) when engaging in reimbursable projects or documenting joint processes and operations. It is Navy policy to seek increased economies and effectiveness by developing support arrangements with other Navy activities, Department of Defense Components, and other Federal agencies.

2. Background. There is currently a lack of documented policies and processes to ensure compliance with support agreement requirements. MOAs, MOUs and ISSAs are not being routinely and properly prepared. In addition, existing agreements have been lost or units have failed to update agreements on a regular basis. This issue was first identified as a material weakness in the Bureau of Naval Personnel (BUPERS) 2008 Certification Statement submission.

3. Procedure. Individuals should refer to references (a) and (b) for further details. Reference (a) provides general reimbursement procedures and supporting documentation. Reference (b) contains information specifically related to ISSAs.

a. All support orders must be the product of a formal offer and acceptance between the contracting parties. **This agreement shall be documented in written format.** Per reference (a), for reimbursable work orders, BUPERS activities should document the formal agreement in an MOA, MOU (sample provided as enclosure (1)), or the Universal Order Format (available in reference (a), page 11-22).

(1) An MOA or MOU is normally used when a certain unquantifiable type of support is required over a period of time, usually 1 year in duration. The formal documentation must include:

(a) The authority for entering into the MOA or MOU;

(b) A description of the material or services required, including authorized overhead;

(c) The established dollar limits and any authority to exceed applicable limits without specific approval from the ordering activity;

(d) The financing source or fund citation;

(e) The delivery requirements;

(f) The payment provisions;

(g) The duration of the agreement; and

(h) The form in which specific orders against the MOA or MOU will be placed.

(2) The MOA or MOU should be reviewed by the appropriate program, comptroller, and legal offices to ensure the legality of the document and the propriety of the arrangement.

(3) The Universal Order Format is used to document financial terms of the offer and acceptance when specific services or quantities are known. It must include:

(a) The funds citation using the current applicable accounting classification;

(b) A document number, assigned by the requesting activity, that uniquely identifies the document and provides an audit trail between the order posting to the accounting system and posting to other automated information systems;

(c) The dollar value of the order and any flexibility allowed in executing the order;

(d) A detailed description of work or services to be performed or items to be delivered, including authorized overhead;

(e) The expected completion date for the order or request;

(f) Documentation of the names of the officials responsible for the offer and acceptance, to meet the requirements established for the administrative control of appropriations; and

(g) The funds expiration date that indicates when the funds must be obligated by the performing activity. When appropriate, the Universal Order Format should also include any restrictive statements relating to the reimbursable or direct citation portion.

b. Agreements for recurring ISSAs should be documented with an MOA or MOU, per reference (b). ISSAs that require reimbursement shall be documented using a DD 1144 Support Agreement. Provision of a single item or one time service may be documented with an order or requisition form instead of a support agreement.

c. Reimbursable rates are set per reference (a). Reference (a), addendum 1, contains a detailed breakdown of what activities are reimbursable and at what rate such activities are reimbursed. Formal documentation of the agreement should include a detailed breakdown of reimbursable costs, including authorized overhead. Any rates not set forth in reference (a) shall be set per all applicable statutory and/or Department of Defense (DoD) policies.

d. Per reference (a), contract administration charges shall be charged to non DoD Federal agencies and private parties. Such charges are to be set per statutory or policy requirements.

e. Per reference (a), BUPERS activities shall bill the requesting agency within 30 calendar days after the month in which the services are performed. The payment due date shall not be more than 30 calendar days from the date of the invoice.

f. Commands shall review all outstanding MOA/MOUs on an annual basis to ensure:

(1) The agreements are in compliance with current applicable laws and policies;

(2) The agreements are still necessary; and

(3) That all terms and conditions are still applicable. If an error is discovered, or a change to the terms and conditions is required, commands should draft a new agreement that includes the changes identified in the previous agreement. Re-drafting shall follow the process set forth in this instruction.

g. Commands shall maintain a copy of all MOA/MOUs for the duration of the agreement. In addition, while expired agreements are not required to be reviewed annually, such agreements shall be kept for record keeping and reference purposes for at least 6 years and 3 months following the termination of the agreement.

h. Disputes relating to documented support agreements shall be elevated for resolution through the affected unit's chain of command.

4. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per SECNAV M-5210.1 of November 2007.

5. Form. DD 1144 (Nov 2001) Support Agreement and SF 1080 (APR 82) Voucher for Transfers Between Appropriations is available at http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm.

D. F. QUINN
Rear Admiral
Deputy Chief of Naval Personnel

Distribution:
Electronic only, via BUPERS Web site
http://www.npc.navy.mil/

MEMORANDUM OF AGREEMENT (MOA)
BETWEEN THE
U.S. (INSERT AGENCY NAME) AND THE U.S. DEPARTMENT OF DEFENSE
TO REIMBURSE THE DEPARTMENT OF DEFENSE
FOR _____

I. Purpose. This agreement establishes the financial arrangements between the (identify the other Federal agency) and the Department of Defense to reimburse the Department of Defense for the (identify the program).

II. Description of Services to be Provided. The Department of Defense is to maintain the capability to respond on an as required basis to the (identify the other Federal Agency) requirements for (describe the required support) and to meet the needs of the (identify the Federal Agency activity being supported) that has limited (identify the support) capabilities.

III. Basis for Reimbursement

A. This agreement is entered into under the provisions of (identify the authority, such as the "Economy Act") and provides the reimbursable orders of approximately $_____. This MOA is subject to annual modification as necessary, to provide for reimbursement of costs as described below in providing the requested support. The amounts in respective reimbursable orders may not be exceeded by more than (display the ceiling by either a percentage or dollar value) without written approval by the (other Federal Agency).

B. Support furnished under the terms of this agreement shall be for the costs incurred by the Department of Defense in providing the services.

IV. Procedural Arrangements

A. Estimating. The Department of Defense continuously will review its actual costs incurred in providing the requested support to ascertain if they are in line with the annual cost estimates. The Department of Defense will promptly advise the (other Federal agency) of any required revisions to the value of this agreement.

B. Ordering. The (other Federal agency) will provide a completed order for specific material or services to the Department of Defense for acceptance and the identification of the (other Federal agency) accounting data for resulting billings (unless a check is provided in advance). The delivery requirements of the (other Federal agency) will be stated in the order.

C. Billing. The Department of Defense component will bill the (other Federal agency) on a monthly basis by submitting SF 1080 Voucher for Transfers Between Appropriations, and including a breakdown of actual costs elements being reimbursed. The voucher shall be sent or delivered to the (other Federal agency billing address) within 30 days after the month in which the transaction occurred.

D. Payment of Bills. The (other Federal agency) paying office will forward check payment(s), along with a copy of billed invoice(s) to appropriate addressees listed on the billing invoices within 30 days of the date of the invoice, unless the SF 1080 is identified as no check required. Bills rendered shall not be subject to audit in advance of payment.

V. Effective Date. This agreement is effective _____ and will terminate on _____.

_____ (Other Federal Agency)

_____ (DoD Component)