

(c) Compensation for personal services contractors under 10 U.S.C. 1091 shall be within the limits established in the Table of Authorized Compensation Rates (see enclosure 1). Prorated compensation based upon hourly, daily, or weekly rates may be awarded when a contractor's services are not required on a full-time basis. In all cases, however, a contractor may be compensated only for periods of time actually devoted to the delivery of services required by the contract.

(d) Contracts for personal services entered into shall be awarded and administered pursuant to the provisions of the Federal Acquisition Regulation (FAR), part 37 and DoD and departmental supplementary contracting provisions.

**§ 107.6 Responsibilities.**

(a) The Military Departments shall be responsible for the management of the direct health care provider contracting program, ensuring that effective means of obtaining adequate quality care is achieved in compliance with the FAR, part 37. The portion of the Military Department regulations ensuring that compensation provided for a particular type of service is based on objective criteria and is not susceptible to individual favoritism shall be stressed.

(b) The Office of the Assistant Secretary of Defense (Health Affairs) (OASD(HA)) shall be responsible for monitoring the personal services contracting program.

ENCLOSURE 1 TO PART 105—TABLE OF AUTHORIZED COMPENSATION RATES

Occupation/specialty group	Compensation rate not to exceed	
	Pay grade	Years of service
I. Physicians and dentists .....	0-6	Over 26.
II. Other individuals, including nurse practitioners, nurse anesthetists, and nurse midwives, but excluding paraprofessionals.	0-5	Over 20 but less than 22.
III. All registered nurses, except those who are included in Group II.	0-4	Over 16 but less than 18.
IV. Paraprofessionals .....	0-3	Over 6 but less than 8.

**PART 110—STANDARDIZED RATES OF SUBSISTENCE ALLOWANCE AND COMMUTATION INSTEAD OF UNIFORMS FOR MEMBERS OF THE SENIOR RESERVE OFFICERS' TRAINING CORPS**

- Sec.
- 110.1 Reissuance and purpose.
- 110.2 Applicability.
- 110.3 Policy.
- 110.4 Responsibilities.
- 110.5 Procedures.
- 110.6 Information requirement.

APPENDIX A TO PART 110—CLIMATIC ZONES USED TO DETERMINE RATES OF COMMUTATION ALLOWANCE

APPENDIX B TO PART 110—FORMULA FOR ROTC COMMUTATION RATES

APPENDIX C TO PART 110—APPLICATION OF BASIC COURSE FORMULA (MALE AND FEMALE MEMBERS) (SAMPLE)

APPENDIX D TO PART 110—APPLICATION OF ADVANCED COURSE FORMULA (MALE AND FEMALE MEMBERS) (SAMPLE)

APPENDIX E TO PART 110—APPLICATION OF 4-WEEK SUMMER FIELD TRAINING FORMULA (SAMPLE)

AUTHORITY: 10 U.S.C. 2101-2111, 37 U.S.C. 209, 50 App. U.S.C. 456(a).

SOURCE: 51 FR 26886, July 28, 1986, unless otherwise noted.

**§ 110.1 Reissuance and purpose.**

This part reissues 32 CFR part 110 implementing Pub. L. 88-647, 92-171, and 98-94 and updates policy, assigns responsibilities, and prescribes procedures for determining commutation rates for Reserve Officers' Training Corps (ROTC) detachments offered commutation funds instead of uniforms.

**§ 110.2 Applicability.**

This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, and the Defense Logistics Agency (DLA) (hereafter referred to collectively as "DoD Components"). The term "Military Services," as used herein, refers to the Army, Navy, Air Force, and Marine Corps.

**§ 110.3 Policy.**

It is DoD policy to provide subsistence allowance in accordance with Pub. L. 92-171 and to eligible participants of senior ROTC programs and commutation funds instead of uniforms (section

## § 110.4

## 32 CFR Ch. I (7-1-02 Edition)

2110, Pub. L. 88-647) for members of senior ROTC programs at eligible schools.

### § 110.4 Responsibilities.

(a) The *Assistant Secretary of Defense (Force Management and Personnel)* (ADS(FM&P)), or designee, shall:

(1) Administer the overall DoD ROTC program.

(2) Maintain liaison with the Military Departments regarding the functioning of the ROTC program.

(3) Announce the standard rates of commutation instead of uniforms to the Military Departments not later than August 1 each year.

(b) The *Director, Defense Logistics Agency* (DLA), shall provide the Military Departments during December of each year the current unit price list of uniform items to be used the following fiscal year.

(c) The *Secretaries of the Military Departments* shall:

(1) Prescribe the standard uniform items for each climatic zone, sex, and course (basic and advanced) in quantities authorized to be provided.

(2) Develop the communication rates, based on the standard Military Service uniforms, and establish procedures for rate review on an annual basis.

(3) Submit to the ASD(FM&P) an estimate of the rates of commutation, based on the latest DLA clothing rate, for climatic zones by sex and course not later than July 1 of each year.

(4) Classify educational institutions as Military Colleges (MC), Civilian Colleges (CC), or Military Junior Colleges (MJC), hereafter also called schools.

(5) Conduct inspections to ensure that the schools meet the requirements for the respective classifications and that those receiving commutation funds provide quality uniforms in sufficient quantities.

(6) Program and budget for subsistence allowance and commutation, instead of uniforms, for members of the senior ROTC program.

### § 110.5 Procedures.

(a) *Classification of institutions hosting Senior ROTC Units.* Educational institutions hosting senior ROTC units maintained by the Military Departments shall be classified as essentially mili-

tary or civilian colleges or universities.

(1) The classification MC shall be assigned to units established in:

(i) Essentially military colleges or universities that, for purposes of qualifying as an MC under 50 U.S.C. App. 456(a)(1):

(A) Confer baccalaureate or graduate degrees.

(B) Require a course in military training throughout the undergraduate course for all qualified undergraduate students.

(C) Organize their military students as a corps of cadets under constantly maintained military discipline.

(D) Require all members of the corps, including those nonmembers enrolled in the ROTC, to be habitually in uniform when on campus.

(E) Have as their objective the development of the military students' character by means of military training and the regulation of their conduct in accordance with the principles of military discipline.

(F) In general, meet military standards similar to those maintained at the Military Service academies.

(ii) The designation "all qualified undergraduate students," under paragraph (a)(i)(B) of this section means all physically fit students except:

(A) Female students who waive their right to participate as provided by Pub. L. 95-485, section 809.

(B) Foreign nationals.

(C) Students who are not liable for induction by virtue of having honorably completed active training and service.

(D) Students who are pursuing special undergraduate courses beyond 4 years after completing the required military training.

(E) Certain categories of students who are excused specifically by administrative decision and approved by the ROTC unit commander.

(2) The classification CC shall be assigned when units are established at civilian colleges and universities that are not operated on an essentially military basis, but that confer baccalaureate or graduate degrees.

(3) The classification MJC shall be assigned when ROTC units are established at essentially military schools

that provide junior college or junior college and high school instruction, but DO NOT confer baccalaureate degrees. Those units shall meet all other requirements of an MC. (See Pub. L. 88-647).

(b) *Qualifying for the special rate of commutation.* (1) To qualify for payment at the special rate of commutation instead of uniforms, an institution classified MC or CC shall meet in addition to paragraphs (a) (1), or (2), respectively the requirements below. An institution classified an MJC shall meet, in addition to paragraph (a)(1) (except paragraphs (a)(1)(i) (A) and (B)), the requirements below:

(i) Organize and maintain within their undergraduate student bodies a self-contained corps of cadets.

(ii) Require all members of the corps of cadets to be in appropriate uniform at all times while on the campus.

(iii) House all members of the corps of cadets in barracks separate from nonmembers.

(iv) Require all members of the corps of cadets to be under constantly maintained military discipline on a 24-hours-per-day, 7-days-per-week basis.

(v) Require all physically qualified members of the above corps of cadets to be enrolled in the basic course of ROTC, except:

(A) Female students who waive their right to participate as provided by Pub. L. 95-485.

(B) Foreign nationals.

(C) Students who are not liable for induction by virtue of having completed honorably active training and service.

(D) Certain categories of students are excused specifically by administrative decisions.

(E) Other students whose enrollment is prevented by provisions or appropriate regulations of a Military Department.

(2) MCs, CCs, or MJCs may be paid the special rate of commutation only for those members of the corps of cadets meeting the requirements set forth in paragraph (b)(1), who are enrolled in ROTC. The requirements of paragraphs (b)(1) (iii) and (iv), may be waived for married students, graduate students, and day students who are not housed with the corps of cadets. Day

students are those ROTC cadets who are authorized by university officials to reside off campus within a reasonable commuting distance to the university.

(3) Institutions designated as MCs may enroll into the ROTC, of the appropriate Military Service, those students who, for various reasons, are not required to be members of the corps of cadets. These institutions shall receive, for such student only, the standard commutation rate. The special rate shall be authorized for eligible females who elect to participate as enrolled senior ROTC cadets, provided that the requirements of paragraphs (b)(1) (ii), (iii), and (iv) are met or unless these requirements are waived under the provisions of paragraph (a)(1)(ii)(E).

(c) *Subsistence allowance and commutation rates*—(1) *Subsistence allowances.* Payment that is made by the Military Departments instead of rations to each contract cadet enrolled in the advanced course and for each scholarship cadet enrolled in the basic or advanced course.

Payments are as prescribed in the DoD Military Pay and Allowances Entitlements Manual, part 8, chapter 4. The following rates are established for payment of subsistence allowance:

(i) Except when on summer field training or practice cruises, when subsistence in kind is furnished, or when otherwise on active duty, the subsistence allowance for each enrolled member of the advanced training program in the senior ROTC shall be \$100 per month for not more than a total of 20 months.

(ii) Except when on summer field training or practice cruises, when subsistence in kind is furnished, the subsistence allowance for each cadet or midshipman appointed under the financial assistance program for specially selected members, under the provisions of Pub. L. 88-647, shall be \$100 per month for not more than a total of 20 months during the basic course training program and \$100 per month for not more than a total of 20 months during the advanced course training program unless the individual has been authorized extended entitlements under the provisions of Pub. L. 98-94. The \$100 per month subsistence may be authorized for not more than a total of 30 months

during the advanced course training program when an extended financial assistance entitlement is approved by the Military Service Secretary of the Military Department concerned.

(2) *Commutation instead of uniforms.* Commutation is payment made by the Military Departments to an institution instead of the issue of uniforms to ROTC cadets in accordance with Pub. L. 88-647. Certain MCs, CCs, and MJCs that maintain senior ROTC units may elect to receive commutation instead of Government clothing. In such instances, the commutation rate shall include not only the uniform, but the procurement, receipt, storage, maintenance, and issue of the uniform as outlined in paragraph (c)(2)(xi), and shown in Appendix B.

(i) The Military Departments shall develop the commutation rates and establish procedures for their review on an annual basis. The review shall be scheduled during May so that the current unit price list disseminated by the DLA during the previous December of each year can be used to develop the commutation rates and made available to institutions for use at the beginning of the fall term. The commutation payment shall be made to the institutions based on the number of students enrolled and in attendance for at least 60 consecutive days.

(ii) Commutation rates for uniforms shall be based on the latest approved items of clothing for each climatic zone and computed using the formulas listed in Appendix B. Appendices C, D, and E are examples of the application of the various formulas to determine the amounts that can be paid to qualifying institutions.

(iii) Standard commutation rates for the basic course (first 2 years) of the senior ROTC shall be payable in the indicated amount on an annual basis not to exceed 2 years to CCs that offer Military Science (MS) I and II or equivalent. The rates shall be paid after cadets have been enrolled 60 days.

(iv) Standard rates for the advanced course cover the 2-year period that each member is enrolled in advanced course training in the senior ROTC (Appendix D). These rates shall be paid after cadets have been enrolled for 60 days in the advanced course. Commuta-

tion funds for camp uniforms, if paid, shall be in addition to payments for the advanced course.

(v) Special rates of commutation shall be paid for students enrolled at MCs, CCs, or MJCs fulfilling the requirements of paragraph (b).

(vi) Special rates of commutation shall be identical for all the Military Services for those qualifying institutions defined in paragraph (b). These rates shall be three times the highest standard rate submitted by sex and course from the Military Departments for climatic zones 1 or 2. Each Military Department shall submit special rate estimates for zones 1 and 2 to the Assistant Secretary of Defense (ASD(FM&P), or designee, not later than July 1. The special rates shall be announced by the ASD(FM&P), or designee, not later than August 1 of each year.

(vii) Special rates of commutation for students enrolled in the basic course (MS I and II or equivalent) of MCs, CCs, and MJCs shall be paid on an annual basis not to exceed 2 years. Special rates for students enrolled in the advanced course (MS III and IV or equivalent) of MCs, CCs, or MJCs shall be paid for the 2-year period that each member is enrolled in the advanced course.

(viii) Commutation for the basic course and the advanced course shall be paid based on Appendices C and D, respectively.

(ix) One-half of the special commutation rate shall be paid to the institution for those students enrolled in the second year of the advanced course for whom the institution previously has not received commutation.

(x) The standard rates shown in Appendix E for summer field training are not subject to the special commutation rate adjustment.

(xi) Commutation of uniform funds may be expended to support ONLY the following activities:

(A) Procurement, receipt, storage, and issue expenses not to exceed 10 percent of the cost for standard uniform items in quantities as prescribed by the Secretary of the Military Department concerned, or distinctive uniforms and insignia as prescribed by those institutions that meet the requirements of

paragraph (b). Marking up or raising the price of that paid by an institution when items are purchased from military inventories is not authorized.

(B) Alteration and maintenance of the uniform, which is defined as laundry, dry cleaning, renovation, alterations and sizing, not to exceed \$10 per uniform.

(C) Salary payments to the property custodian for custody of uniforms purchased with commutation funds. Such custodial fees shall not exceed the specified percent of the commutation funds received against the actual enrollments in each course listed below for the immediate past academic year:

(1) 15 percent of basic course.

(2) 5 percent of advance course.

(3) 5 percent of field training (when applicable).

(D) Purchase of hazard insurance to protect uniform inventory against loss.

(xii) Unexpended commutation of uniform funds is the balance remaining after all commitments or obligations relating to the immediate past academic year and the amount of retained uniform commutation funds (see paragraph (c)(2)(xii)(A)) have been deducted. The unexpended balance shall be computed as of July 1 each year. Commitments or obligations relating to new year procurement, maintenance, or other allowable activities may not be charged against the unexpended balance. As an exception, the unexpended balance may be used for paying bills for procurements of past academic years that are submitted AFTER the cutoff date of the report required by paragraph (c)(2)(xii)(C).

(A) The amount of unexpended uniform commutation funds an institution may retain from 1 academic year to the next for continued financing of the uniform program is the greater of \$3500 or 20 percent of the uniform entitlement for the immediate past academic year.

(B) Accumulated funds that exceed this limitation shall be returned to the Military Services.

(C) As of July 1 of each year, a uniform commutation report DD Form 2340, "Annual Report on Uniform Commutation Fund" shall be completed by the institution receiving commutation funds and submitted to the appropriate

authority for each Military Service by July 31.

(1) The uniform commutation report shall include a detailed list of expenditures, total funds available for the immediate past academic year, including the unexpended balance from the last report, an explanation of any monetary adjustments and errors, the balance of funds on hand, and the amount being refunded to the appropriate Military Service as the unexpended balance, if any. The report shall be coordinated with ROTC unit commanders and signed by the appropriate institutional official who maintains records of the receipt of funds.

(2) All records on the receipt and expenditure of commutation funds shall be subject to periodic audit and inspection. Institution officials shall be responsive to recommendations made.

(d) *Inspection.* Inspections shall be conducted when an ROTC unit is initially established at an institution that does not already host another Military Service ROTC unit. Inspections shall ensure that only those institutions that meet the requirements of paragraphs (a)(1) or (3), are awarded the MC or MJC classification and only those awarded MC, CC, and MJC classifications that meet the additional requirements of paragraph (b) shall be authorized the special rate of commutation instead of uniforms. Inspections of established units at MCs, CCs, and MJCs shall be conducted on an exception basis.

(1) The Secretaries of Military Departments shall prescribe specific inspection procedures applicable to ROTC units of their respective Military Services.

(2) When discrepancies are noted at institutions, their classifications shall be subject to review for resolution or withdrawal by the Secretaries of the Military Department concerned. In the instance of withdrawal of classification, the appropriate Military Service's review of, and final notification to, the institution shall be within 30 days of the date the discrepancy was noted.

#### § 110.6 Information requirement.

The reporting requirement for paragraph (c)(2)(xii)(C) is assigned OMB No. 0704-0200.

**Pt. 110, App. A**

**32 CFR Ch. I (7-1-02 Edition)**

**APPENDIX A TO PART 110—CLIMATIC ZONES USED TO DETERMINE RATES OF COMMUTATION ALLOWANCE**

*Zone I*

1. Alabama
2. Arizona, only 100 mile-wide belt along south border
3. Arkansas, southern two-thirds
4. California, except area north of 37°
5. Florida
6. Georgia
7. Guam
8. Hawaii
9. Kentucky, southeastern one-third
10. Louisiana
11. Mississippi
12. New Mexico, only 100 mile-wide belt along south border
13. North Carolina
14. Oklahoma, only southeastern portion
15. Puerto Rico
16. South Carolina
17. Tennessee, except northwest corner
18. Texas, except area border of 34° north

*Zone II*

1. Alaska
2. Arizona, except 100 mile-wide belt along south border
3. Arkansas, northern one-third
4. California, area south of 37° north
5. Colorado
6. Connecticut
7. Delaware
8. District of Columbia
9. Idaho
10. Illinois
11. Indiana
12. Iowa
13. Kansas
14. Kentucky, NW two-thirds
15. Maine
16. Maryland
17. Massachusetts
18. Michigan
19. Minnesota
20. Missouri
21. Montana
22. Nebraska
23. Nevada
24. New Hampshire
25. New Jersey
26. New Mexico, except a 100 mile-wide belt along south border
27. New York
28. North Dakota
29. Ohio
30. Oklahoma, except the southeast portion
31. Oregon
32. Pennsylvania
33. Rhode Island
34. South Dakota
35. Tennessee, only the northwest corner
36. Texas, only area north of 34° north
37. Utah

38. Vermont
39. Virginia
40. Washington
41. West Virginia
42. Wisconsin
43. Wyoming

The climate zones listed above are to be used as a guide to determine clothing requirements for a specific detachment. Wind chill equivalent temperatures can vary widely for areas within close proximity to each other due to variations in wind velocity and elevation. Detachment commanders may request a zone change by submitting evidence to the Major Command of the appropriate Military Service that the wind chill equivalent temperature for the coldest month has been within the limits of the requested zone classification for the past 3 consecutive years.

**ATTACHMENT TO APPENDIX A TO PART 110—CLIMATIC ZONES USED TO DETERMINE RATES OF COMMUTATION ALLOWANCE (FORMULA)**

The Standard and special commutation rates are based on the latest approved items of clothing for each climatic zone. The zones are:

Zone	Temperature range
1 .....	32 degrees Fahrenheit and above.
2 .....	Below 32 degrees Fahrenheit.

To determine the appropriate zone for each ROTC detachment, use the table below. Enter the appropriate dry bulb temperature at the top and read down. Find the wind velocity on the left and read across. The intersection of the two lines provides the equivalent temperature. For example, a combination of 20 degrees Fahrenheit and a 10 mile-per-hour wind has a wind chill equivalent temperature of 3 degrees Fahrenheit. The wind chill equivalent temperature is based on the average monthly temperature and wind of the coldest month for each of the past 3 consecutive years.

**APPENDIX B TO PART 110—FORMULA FOR ROTC COMMUTATION RATES**

*Basic Course (General Military Course)*

Total Pkg. Cost of Auth. Items+10% Procurement Cost=Adjusted Pkg. Cost—Amortized by: 2-Yr. Life Shoes & Socks; 2-Yr. Life Insignia; 5-Yr. Life Bal. of Pkg.  
 +15% Custodial Fees+\$10.00 Uniform Alteration and Maint.=Net Rate Per Yr. (Rounded to nearest \$)

*Advanced Course (Professional Officers Course)*

Total Pkg. Cost of Auth. Items—½ Amt. of Insignia Cost (2-yr. Amortization)+5% Custodial Fees+\$10.00 Uniform Alteration

**Office of the Secretary of Defense**

**§ 112.2**

& Maint.=Net Rate 2-yr. period (Rounded to nearest \$)

*Summer Camp (Field Training)*

Total Pkg. Cost of Auth. Items—Amortized by 2-yr. Life (Entire pkg., except shoes and socks)+5% Custodial Fees+\$10.00 Uniform Alteration & Maint.=Net Rate 2-yr. period (Rounded to nearest \$)

**APPENDIX C TO PART 110—APPLICATION OF BASIC COURSE FORMULA (MALE AND FEMALE MEMBERS) (SAMPLE)**

	Zone I	Zone II
Total package cost (authorized items) .....	\$159.29	\$180.62
Plus 10% procurement cost .....	15.93	18.06
Adjusted package cost .....	175.22	198.68
Amortization:		
2-years socks (50% of \$1.28) ....	.64	.64
2-years shoes (50% of 14.00) ...	7.00	7.00
2-years insignia (50% of 15.00), if applicable .....	7.50	7.50
5-years balance package (20% of \$144.94, Zone I) (20% of \$168.40, Zone II) .....	28.99	33.68
Amortized package cost .....	44.13	48.82
Add:		
15% custodial fees (15% of amortized package cost) .....	6.62	7.32
Uniform Alteration and Maintenance .....	10.00	10.00
Total .....	16.62	17.32
Net rate .....	60.75	66.14
Rounded for official standard rate (per year) .....	61.00	66.00
Special commutation rate (per year) (three times standard rate) .....	183.00	198.00

**APPENDIX D TO PART 110—APPLICATION OF ADVANCED COURSE FORMULA (MALE AND FEMALE MEMBERS) (SAMPLE)**

	Zone I	Zone II
Total package cost (authorized items) .....	\$159.29	\$180.62
Less insignia amortization (50% of \$15.00), if applicable .....	7.50	7.50
Adjusted package cost .....	151.79	173.12
Add:		
5% custodial fees (5% of adjusted package cost) .....	7.59	8.66
Uniform alteration and maintenance .....	10.00	10.00
Total .....	17.59	18.66
Net Rate .....	169.38	191.78
Rounded official standard rate (2 years) .....	169.00	192.00
Special commutation rate (2 years) (three times standard rate) .....	507.00	576.00

**APPENDIX E TO PART 110—APPLICATION OF 4-WEEK SUMMER FIELD TRAINING FORMULA (SAMPLE)**

	Zone I	Zone II
Total package cost (authorized items) .....	\$36.56	\$48.70
Amortization Schedule:		
Total package less \$12.75 (boots and socks) (not reissued) .....	23.81	35.95
50% amortization (2-year life) .....	11.91	17.98
Boots and socks added .....	12.75	12.75
Amortized package cost .....	24.66	30.73
Add:		
5% custodial fees .....	1.23	1.54
Uniform alteration and maintenance .....	10.00	10.00
Net rate .....	35.89	42.27
Rounded for official rate .....	36.00	42.00

**PART 112—INDEBTEDNESS OF MILITARY PERSONNEL**

Sec.

- 112.1 Purpose.
- 112.2 Applicability and scope.
- 112.3 Definitions.
- 112.4 Policy.
- 112.5 Responsibilities.

AUTHORITY: 5 U.S.C. 5520a(k) and 10 U.S.C. 113(d).

SOURCE: 60 FR 1721, unless otherwise noted.

**§ 112.1 Purpose.**

This part: (a) Updates policy and responsibilities governing delinquent indebtedness of members of the Military Services, and prescribes policy for processing involuntary allotments from the pay of military members to satisfy judgment indebtedness in accordance with 5 U.S.C. 5520a(k).

(b) Establishes responsibility for procedures implementing 5 U.S.C. 5520a(k), 15 U.S.C. 1601 note, 1601–1614, 1631–1646, 1661–1665a, 1666–1666j, and 1667–1667e (“Truth in Lending Act”), and 15 U.S.C. 1601 note, and 1692–1692o (“Fair Debt Collection Practices Act”).

(c) Designates the Director, Defense Finance and Accounting Service (DFAS), as the Department of Defense Executive Agent for forms necessary to process involuntary allotments. The Executive Agent shall publish, print, stock, distribute, and revise forms.

**§ 112.2 Applicability and scope.**

(a) Applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when