



DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



QUALIFIED RECYCLING PROGRAM

October, 2016



Qualified Recycling Program Background

- Recyclable material includes goods that could be discarded but can be used as raw materials after undergoing some type of physical or chemical processing
- This material comes in many forms: ferrous metals, such as iron or steel; non-ferrous metals, such as aluminum, bronze or copper; and numerous other products such as cardboard, paper, used oil, batteries, plastic, glass and scrap rubber
- Installation commanders use the proceeds to defray the cost of a variety of programs: recycling programs; pollution abatement, environmental programs; energy conservation improvements; occupational, safety and health programs; and morale, welfare and recreation programs



Qualified Recycling Program Management

- Once the Commander of the Installation has approved a Qualified Recycling Program (QRP), a QRP Manager is designated to oversee the program
- The QRP Manager has a very important role
 - Works with all involved Installation Units to set up a QRP process
 - Determines the arrangement of the QRP system so proper documentation is obtained and available for audits
 - Monitors to ensure only eligible material is sent for reimbursement
 - Reconciles what has been disposed with reimbursements that have been received
 - Works with DLA Disposition Services (Disp Svcs) local field site
 - Works with Disp Svcs HQ Battle Creek
 - Works with auditors as necessary
 - Ensures a Standard Operating Procedure is available for QRP Manager and Units
 - Reports QRP progress to the Installation Commander



QRP Manager and Disp Svcs

- While the Installation QRP Manager is planning the program, they should also be working with the Disp Svcs local field site
- The Disp Svcs field site can help the QRP Manager understand the requirements of disposing material
 - Contractors that are available to pick up material through Disp Svcs
 - Segregation of material
 - Filling out documents electronically
 - Setting up appointments, if applicable, through the on-line Scheduler
 - Requirements for material received in place
- The Disp Svcs field site can also notify the QRP Manager if equipment comes in for reutilization that the program can use, examples: a shredder or a crusher



Documentation For Reimbursement

- The QRP Manager must submit a Letter of Authorization (LOA) to Disp Svcs Battle Creek Office and to the local Disp Svcs field site
- The LOA states the QRP DODAAC for the Installation
 - Only one QRP DODAAC is allowed per Installation
 - All applicable Units must use this DODAAC for material turn-in reimbursement
 - The QRP DODAAC always begins the turn-in document number
- The Letter states the complete fund site that is connected to the QRP DODAAC
 - The fund cite must begin with the Service code:
Army, 21: Air Force, 57: Navy and Marines, 17
 - The fund cite also must be a F3875 account
- The LOA states the QRP Manager information
- If any of this information changes, a new LOA must be submitted to Disp Svcs



Example of a LOA

Please put on official letterhead and include the date

From: **(List QRP name/activity)**

To: DLA Disposition Services at **(list site name/location you will be using)**

Subject: QUALIFIED RECYCLING PROGRAM

Ref: QRP Information

(List QRP name/activity) has established a Qualified Recycling Program. Please deposit the sales proceeds of recyclable material governed by 10 U.S.C. 2577 in the following Budget Clearing Account ... F3875 (**list fund cite information**). The DODAAC associated with this QRP line of accounting is: **(list DODAAC)**. *Please note: For automated payments through DFAS, your fund cite and DODAAC should match the TAC 3 DFAS station number (5-6 digits) in DASSINQ. To check this you can visit the website at:*

<https://www.transactionservices.dla.mil/DAASINQ/warning.asp> . *If the station number does not match the fund cite, please contact your budget POC, servicing DFAS office representative, or your Service DODAAC monitor to have it changed. Associated DODAAC should have an IPAC agreement or payments will be mailed to the TAC1 address of the DODAAC, bypassing the QRP account.*

The QRP processes and retains the proceeds from the sale of QRP recyclable materials to fund recycling efforts, energy conservation projects, pollution abatement, occupational safety and health activities, and morale, welfare, and recreation projects. Any material delivered to the recycling center that is not eligible for recycling or sale by a QRP will be sent to the DLA Disposition Services site.

We look forward to cooperative and beneficial working relationship with your facility. By working together we can reuse and recycle more materials.

My contact information is **(list name of QRP Manager, commercial and DSN phone, e-mail)**.

Signed _____



Accurate and Complete Documentation

- QRP Managers must know and train the Units on requirements for disposal documentation
- The correct DEMIL code must be used
 - DEMIL code 'A' for all scrap material except Expended Small Arms Cartridge Cases (ESACCS) and scrap metal gleaned from a firing range
 - DEMIL code 'Q' for ESACCS and scrap metal gleaned from a firing range
 - DEMIL code 'B' material is not reimbursable under QRP
 - No Munition List Item or Commerce Control List material reimbursed except the DEMIL code Q items above
 - DEMIL code is in column 65, top row of 1348-1A
- The Condition Code for QRP eligible scrap material
 - Regular material should be coded 'S'
 - Hazardous material (antifreeze, used oil) should be 'H'
 - The Condition Code is listed in column 71, top row of 1348-1A



Receiving Revenue for Your QRP

- Form DD 1348-1A
 - Must accompany all turn-in of material
 - QRP Manager must retain a Disp Svcs Receiver signed copy of the 1348-1A
- If item(s) is eligible for reimbursement of sales proceeds, the turn-in document must contain a QRP statement
 - Example:

This property is eligible for QRP reimbursement to Randolph AFB QRP
Fund Cite 57 F 3875 8900 667100 QRP DODAAC FB3056 QRP
POC John Doe, phone: 555 555-1234

- Document number must begin with QRP DODAAC
- Downgrades are not eligible for QRP reimbursement



External Reimbursement Report

- The External Reimbursement Materials report allows the QRP Manager to run a report when required and balance disposals against reimbursements
 - Searchable by DODAAC or line of accounting
 - Request AMPS role JD-02100
- Link to request an AMPs role:
<https://amps.dla.mil/oim>
- Link for the DLA Portal:
<http://www.dla.mil/DispositionServices.aspx>



External Reimbursement Report Example

DoDAAC	Fund Citation	Fiscal Period	DTID Number	Reimbursement Code	Reimbursement Status	Contract Number	Sales Order	Item Number	Item Description	Delivery Date	DFAS Payment Date	DFAS Tracking Number	Reimbursement Amount	Quantity	Unit of Issue
													Sum:	\$4,700.87	34,040
FB6451	57F3875 8900 41K5 667100	Period 07 2013	FB645130880001	R	PENDING	#	67555078	DS000E1LB	HEAVY MELTING IRON AND STEEL		12/27/2013	9176958183	\$851.20	6080	LB
FB6451	57F3875 8900 41K5 667100	Period 07 2013	FB645130980001	R	PENDING	#	67555079	DS000E1LB	HEAVY MELTING IRON AND STEEL		12/27/2013	9176958184	\$574.00	4100	LB
FB6451	57F3875 8900 41K5 667100	Period 07 2013	FB645130980002	R	PENDING	#	67555080	DS000E1LB	HEAVY MELTING IRON AND STEEL		12/27/2013	9176958185	\$786.80	5620	LB
FB6451	57F3875 8900 41K5 667100	Period 07 2013	FB645131070001	R	PENDING	#	67555081	DS000E1LB	HEAVY MELTING IRON AND STEEL		12/27/2013	9176958186	\$1,579.20	11280	LB
FB6451	57F3875 8900 41K5 667100	Period 09 2013	FB645131560001	R	PENDING	#	67597414	DS000E1LB	HEAVY MELTING IRON AND STEEL		12/4/2013	9178558800	\$909.67	6960	LB

 Fiscal Period 09 2013 is June 2013
 1348 Document Number
 Went through Disposition Services daily billing cycle, and Sales Order Number was automatically created
 Type of material
 Date payment was sent to customer's servicing DFAS
 After Disposition Services billing cycle is complete a credit memo is sent to DLA DFAS to forward the payment. This DFAS tracking number indicates that the credit memo has been sent to the customer's servicing DFAS. Once this tracking number shows, the customer must work with their finance and servicing DFAS to locate the reimbursement
 \$ paid to customer
 Number of LBs



Working With Disp Svcs Battle Creek

- Battle Creek HQ assists customers when a valid reimbursement has not been received
- Works with Disp Svcs field sites for customer material disposition issues
- Provides QRP information to customers
- What Disp Svcs does not do
 - Balance the Installation's reimbursement account
 - Collect the required documents for reimbursements and audits
 - Review all disposal documents to see if material is eligible for reimbursement
 - Participate in Installation audits



Disp Svcs Administrative Costs

- Retaining administrative costs complies with the following regulations:
 - DOD Financial Management Regulations (FMR)
 - Title 40, U.S.C section 571 (b), General Rules for Deposit and Use of Proceeds
 - DOD 4715.4, Pollution Prevention
- Administrative cost retention assists Disp Svcs in audit readiness and compliance with statutory and regulatory requirements
- Currently, Disp Svcs is retaining administrative costs (cost of sales and handling) of \$0.06/LB for material disposed with us



Current Scrap Venture (SV) Contract

- SV does not cover material in the Control Group (North and South Carolina and Tennessee)
 - This material is sold on traditional or individual buyer contracts
- Customers are paid SV buyer's gross revenue per material LB minus administrative costs
 - Disp Svcs receives a percentage of the buyer's net proceeds
 - Disp Svcs realizes a loss as the customer is reimbursed the gross proceeds minus the administrative costs
 - The FMR does not allow Disp Svcs to pay more revenue to the customer than it receives
- The current SV contract allows Disp Svcs to pay the next month for material received in the previous month



Disp Svcs New Scrap and Salvage Recycling (SSR) Contract

- Disp Svcs will begin a new SSR contract in October, 2016
- The new contract will serve the Control Group
- Reimbursements to the customer will be for actual proceeds returned to Disp Svcs minus administrative fees
 - Administrative fees will be \$0.06 per pound
- Reimbursements will be made to the customer after the material is sold
- More material will be recycled as buyer cannot refuse material
- Buyer is incentivized to mitigate landfill of material



Helpful Suggestions

- Cultivate a strong working relationship with local Disp Svcs POC(s). This helps in:
 - Resolving operational problems
 - Increasing communication on QRP
- Use full Disp Svcs resources/capabilities to your QRP's advantage
 - Experience with the market
 - Excluded items knowledge
 - Obtain property for use, vehicles, used recycling equipment, etc
- Keep meticulous and thorough records of all transactions
- Reconcile turn-ins and payments every 30 days



Recordkeeping for Transactions

- Critical for QRP to keep independent records of all transactions per DODI 4715.4
- Recordkeeping “package” for each transaction:
 - Copies of all signed DD Form 1348-1A turn-in documents
 - Copy of Reimbursement Report
 - Certifications

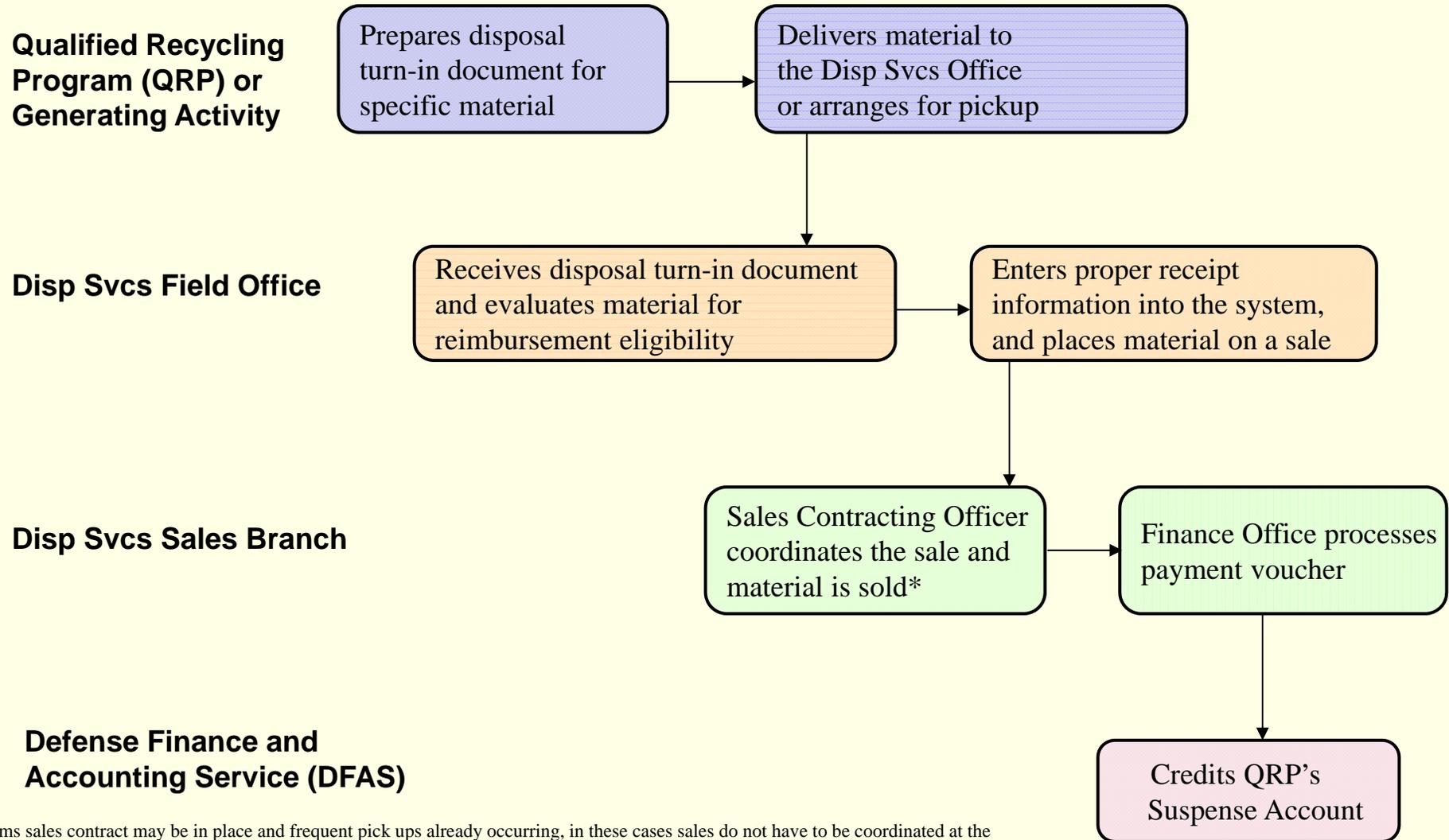


Did you know?

- The property disposal hierarchy we follow favors reutilization over recycling
- It is not always necessary for a QRP to deliver its recyclables to the Disp Svcs scrap yard before they can be sold
- For further assistance, please contact your local Disp Svcs field site DSR



Process Flow Crediting Eligible Proceeds



*Terms sales contract may be in place and frequent pick ups already occurring, in these cases sales do not have to be coordinated at the field level (only new sales)



Advantages of Using Our Sales Services

- Management of QRP recyclable/eligible and ineligible property with minimized safety and national security risks
- Existing relationships with market buyers and regular pickups
- Accumulation of large lots from multiple generators (better pricing)
- Experience marketing many types of recyclables
- Expended small arms cartridge casings sold with Trade Security Controls in place
- Auditable paper trail



Summary

- Disp Svcs can be a valuable partner
- Meticulous recordkeeping is essential
- Keep up on tracking disposition transactions and reimbursements
- Reimbursements are changing due to new contract terms and requirement to recover all cost



QRP POCs

- Army
 - james.d.gill33.civ@mail.mil
- Navy
 - greg.berry@navy.mil
- Marine Corps
 - david.f.smith1@usmc.mil
- Air Force
 - nancy.carper@us.af.mil
- DLA Disposition Services
 - sandra.bernath@dla.mil
 - richard.jones2@dla.mil



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