

VA Financial Policies and Procedures  
Recycling Revenue

CHAPTER 7E

0701 OVERVIEW .....	2
0702 POLICIES .....	2
0703 AUTHORITY AND REFERENCES .....	2
0704 ROLES AND RESPONSIBILITIES .....	3
0705 PROCEDURES .....	3
0706 DEFINITIONS.....	5
0707 RESCISSIONS.....	5
0708 QUESTIONS .....	5
0709 REVISIONS.....	6
APPENDIX A: VHA - ACCOUNTING FOR RECYCLING REVENUE AT FACILITIES .	7

## 0701 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures relating to recycling revenue.

A. [Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management](#), dated January 24, 2007 states that Federal agencies must conduct their environmental, transportation, and energy-related activities under the law in support of their respective missions in an environmentally, economically and fiscally sound, integrated, continuously improving, efficient, and sustainable manner. This EO also amended [EO 13327, Federal Real Property Asset Management](#).

C. [The Consolidated Appropriations Act of 2004, Public Law 108-199, dated January 23, 2004, Division F, Title VI, Section 607, 118 Stat. 351](#) continues VA's authorization to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule, recovered through recycling or waste prevention programs.

D. [Public Law 103-329, Section 608, Treasury, Postal Service and General Government Appropriations Act of 1995, General Provisions](#), allows Federal agencies to receive and distribute recycling funds as an incentive to encourage recycling. To encourage increased recycling efforts within VA, except for those located in U.S. General Services Administration (GSA)-managed facilities, facility directors are authorized to receive and distribute recycling revenues.

## 0702 POLICIES

070201 VA will use recycling revenue accounts as required.

070202 Departmental program offices will provide field stations under their jurisdiction with specific guidance as to which budget/fund to deposit proceeds.

## 0703 AUTHORITY AND REFERENCES

070301 [Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management \(Amended EO 13327\)](#)

070302 [41 C.F.R. 102.38.295, Disposition of Proceeds](#)

070303 [The Consolidated Appropriations Act of 2004, Public Law 108-199, dated January 23, 2004, Division F, Title VI, Section 607](#)

070304 [Public Law 103-329, Section 608, Treasury, Postal Service and General Government Appropriations Act of 1995, General Provisions](#)

070307 VA Handbook 0052, Affirmative Procurement, Recycling and Waste/Pollution Prevention Programs, dated June 14, 2002

070305 Office of Acquisition and Logistics (OAL) Information Letter 001AL-09-11, Guidance for Recycling of X-ray Film and Precious Metals

070306 Office of Acquisition and Materiel Management Information Letter 90-95-10, dated August 23, 1995

#### **0704 ROLES AND RESPONSIBILITIES**

070401 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

070402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

#### **0705 PROCEDURES**

070501 Facility directors are responsible for ensuring that recycling revenues are used for the following activities:

- A. Acquisition, waste reduction, prevention and recycling programs as described in EO 13423, dated January 24, 2007.
- B. Other environmental management programs, including but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.
- C. Other employee programs as authorized by law or deemed appropriate by the facility director.

070502 Departmental program offices will provide field stations under their jurisdiction with specific guidance as to which budget/fund in which to deposit proceeds. Fiscal/finance offices will ensure proper accountability for such funds.

Refer to Appendix A, Veterans Health Administration (VHA) - Accounting for Recycling Revenue at Facilities.

070503 In order for VA to monitor and track deposits, unobligated balances and expenditures of funds under VA recycling programs, no-year appropriation accounts with the proper budget structure will be established in each VA Administration and other VA operations as necessary. These accounts will contain the following elements:

- A. Treasury Symbol that represents the no-year fund code.
- B. Revenue Program process cycle that makes collections available at the allowance level.
- C. Budget Fiscal Year (BFY) that applies to the transactions being processed.
- D. Revenue Source Code (RSC) that identifies the revenue type.
- E. Accounting Classification Code (ACC) that records revenue, obligations and expenditures.
- F. Accounting set-up that establishes transactions within the Financial Management System's (FMS) application tables, including zero budgets down to the Suballowance Spending control table, allowing revenue collections to be available for obligation and expenditure. In addition, facilities must ensure that the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP) System Data Dictionary accurately characterizes the fund control points to allow for the proper submission of transactions to FMS for the Recycling Revenue Fund.
- G. Accounting procedures that allow for the recording of recycling revenue, using the proper FMS accounting transaction code or transaction type.
- H. Recording obligations and expenditures as detailed in the FMS procedural guide for field stations.
- I. Correcting previously recorded accounting data as follows:
  - 1. Transfer any suspense fund (F3875) recycling-related item or any other inappropriate recycling-related transaction in other funds to the proper recycling fund, if necessary, and ensure the proper budgetary authority has been created in the Recycling Revenue Fund to allow for obligations and expenditures.
  - 2. Identify any material transfer that may have been made improperly to the Department of the Treasury's (Treasury) Miscellaneous Receipts account and reverse prior original entries. Ensure that new entries are credited properly to VA's Recycling Revenue Fund.

070504 Monies received by stations that occupy GSA rental property/space will be deposited into the Federal Building Fund (47X4542.001).

Recycling revenues generated by GSA-managed recycling programs in leased facilities will continue to be provided to GSA for use as tuition assistance for childcare centers operated in GSA space.

070505 All other revenue earned by departmental recycling and waste prevention programs will remain available for the Department to use for the following purposes:

A. To increase the procurement of products that are made with recovered materials, in order to maximize the number of recycled products purchased, relative to non-recycled alternatives.

B. To demonstrate and test new and innovative approaches, such as incorporating environmentally preferable and bio-based products.

C. To increase the quantity and types of products containing recovered materials, expanding collection programs; to implement source reduction programs; to compost organic materials when feasible; and to explore public/private partnerships to develop markets for recovered materials.

D. To develop an internal awards program, as appropriate, to reward its most innovative environmental programs.

070506 These funds will remain available for obligation until expended (i.e., No-Year Funds).

## **0706 DEFINITIONS**

070601 Recycling. The series of activities, including collection, separation and processing, by which products or other materials are recovered from the solid waste stream for use in the form of raw materials in the manufacture of new products other than fuel for producing heat or power by combustion.

070602 Revenue. The amount generated from the sale of goods or services or any other use of capital or assets, before any costs or expenses are deducted.

## **0707 RESCISSIONS**

070701 Volume II Chapter 7E, Recycling Revenue, August 2009

## **0708 QUESTIONS**

Questions concerning these financial policies and procedures should be directed as follows:

VHA  
VBA

VHA CFO Accounting Policy (10A3A) (Outlook)  
VAVBAWAS/CO/FINREP (Outlook)

All Others

OFP Accounting Policy (Outlook)

**0709 REVISIONS**

Section	Revision	Office	Effective Date
0701 Policies and 0703 Authorities	Updated Executive Order to reflect most current.	APS (047GA)	June 2012
0705 Procedures	Added Appendix for VHA Procedures.	VHA	June 2012

## APPENDIX A: VHA - ACCOUNTING FOR RECYCLING REVENUE AT FACILITIES

**1. PURPOSE:** This Veterans Health Administration (VHA) appendix is a supplement to VA policy, and is subject to the provisions of VA policy. The purpose of the appendix is to provide procedures for processing VHA revenue generated through Recycling and Waste Prevention Program activities. To encourage increased recycling efforts within VHA, facility directors, with the exception of those in GSA-managed facilities, are authorized to receive and distribute recycling revenues.

**2. POLICY:** VHA policy requires that each qualifying VHA facility establish an account in the no-year medical facilities appropriation as listed in the procedures section below.

### 3. PROCEDURES:

A. Accounting for Recycling Revenue for VHA Facilities: In order for VHA to monitor and track deposits, unobligated balances, and expenditures of funds under VHA recycling programs, no-year appropriation accounts are established with the following accounting elements:

- **Treasury Symbol:** 36X0162 Medical Facilities VA. The fund code 0162X2 is a no-year fund.
- **Revenue Program:** The Accounts Receivable (AR)-06 process cycle that makes facility collections available at the allowance level is set up for this fund.
- **Budget Fiscal Year (BFY):** The BFY will always be 2004 for recycling fund deposits.
- **Revenue Source Code (RSC):** The RSC used to identify recycling revenues for VHA is 8031.
- **Accounting Classification Code (ACC):** The ACC assigned for the recycling program to record revenue, obligations, and expenditures is 0100401Y1.

#### (1) Recycling Transactions

a. Transactions were established in the Financial Management System (FMS) application tables with all the necessary data, including zero budgets down to the Suballowance Spending (SASP) control table, allowing revenue collections to be available for obligating and expending using existing FMS transactions.

b. Facilities are required to set up the fund control points in the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement System (IFCAP) Data Dictionary, prior to submitting any transactions to FMS for the 0162X2 fund. Once

IFCAP submits the fund control points to FMS, facilities will be able to enter zero dollar Spending Allowance (SA) documents to establish the ACC in the SASP table. After these steps are successfully completed, facilities will be able to make input to the 0162X2 fund.

(2) Recording Deposits: To record a deposit of recycling revenue, facilities will use an FMS transaction code or transaction type of Cash Receipt (CR) 05, revenue source code 8031, and ACC 0100401Y1.

(3) Recording Obligations and Expenditures: To record obligations and expenditures, facilities will follow the same procedures for other medical care appropriations detailed in the [FMS Procedures Guide for Field Stations](http://vaww1.va.gov/FMSHOME/FMS_Users_Guide.asp), [http://vaww1.va.gov/FMSHOME/FMS\\_Users\\_Guide.asp](http://vaww1.va.gov/FMSHOME/FMS_Users_Guide.asp)

#### **B. Accounting for Recycling Revenue for VHA Facilities Occupying GSA Rental Property**

(1) Federal: Facilities will process TR24 (I) to deposit the revenue into fund 3875 with a valid vendor code and then process an IPAC transaction to transfer the funds to the GSA fund 47X4542.001, ALC 47000017.

(2) Non-Federal: Facilities will process TR24 (I) to deposit the revenue into fund 3885 with a valid vendor code for a non-Federal vendor.

**C. QUESTIONS:** Questions should be directed to the VHA CFO Accounting Policy (10A3A) mailgroup.