

# ARS □ NIFA □ ERS □ NASS

## *Bulletin*

**Title:** Accepting Utility Incentives, Rebates and Recycling Proceeds (ARS Specific)

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**Distribution:** ARS Headquarters, Areas, Locations, NIFA, ERS, NASS and NAL

This Bulletin identifies the requirements and procedures for accepting incentives or rebates from utilities for energy saving projects and the proceeds from the sale of recycling.

# **Accepting Utility Incentives, Rebates and Recycling Proceeds**

## **1. Purpose**

Energy and water efficient design, energy and water savings upgrades, and recycling are important aspects of being sustainable and are required by Executive Order (E.O.) 13693, EPACT 2005, and EISA. E.O. 13693 requires diversion of 50% of nonhazardous waste. E.O. 13693 also requires that 15% of Federal facilities be sustainable. Utility companies often offer rebates or incentives to their customers to increase energy efficiency, conserve water, or manage electricity demand (including demand response). Application for and acceptance of these rebates and incentives is required.

Rebates and incentives are not the same. A rebate is a return of all or part of a payment to a utility serving as a discount or reduction. An incentive is a payment from a utility or other entity made to incentivize implementation of an energy or water saving measure.

Demand response payments are made pursuant to an agreement with a curtailment service provider to reduce electricity use during periods of high demand on the grid.

All utility rebates will be distributed as follows: 50 percent of these funds shall be deposited in the General Fund of the Treasury and 50 percent of the funds will be retained by the Agency (at Headquarters) and redistributed at the Facilities Director's discretion for additional energy efficiency or water conservation projects or activities. Incentives and demand response payments are not subject to the 50/50 rule of Pub. L. 104-52, § 625, 42 U.S.C. 8256 note, and 100 percent is retained by the Agency (at Headquarters) for energy and water conservation projects or activities. These rebates and incentives are good until expended (no year funds). Locations should submit projects to the Facilities Director for use of the funds. Such funds received in ESPCs and UESCs are incentives and may be assigned to the ESCO.

All proceeds from ARS managed sales of recycled material may be retained by the Area, and used for recycling and waste prevention projects. The recycling proceeds are also good until expended (no year funds).

## **2. Accounting Procedures**

ARS shall apply for and accept all available rebates or incentives from utilities or other entities. Payment may take the form of a check, or a third party payment.

The following guidance is provided for payments received in the form of a check or third party payment:

- A. Utility Rebates or Incentives or demand response payments – The check should note that it is for a Utility Rebate or Incentive or demand response payment and then be forwarded to the Fiscal Operations Branch at the following address:

ARS, AFM, Financial Management Division  
Fiscal Operations Branch  
5601 Sunnyside Avenue, Mail Stop 5113  
Room 3-2206  
Beltsville, MD 20705-5113

B. Recycling Proceeds

1. Administrative Officer/Technician (AO/T):

ARIS – Enter Incoming Agreements Form, Authorization To Apply For and Use Funds From Outside Sources. Standard information is listed below:

- Source of Funds: 0197
- Type of Agreement: Trust
- Purpose of Funds: Services Only Type of Service
- Start/End Dates: Since these are no year funds, this should be set for the maximum term of 5 years
- Remarks: State purpose for collection: e.g., recycling
- Indirect Program Support Cost (IPSC): is not assessed for recycling proceeds.

CRIS Allocation Tracking System (CATS): Establish records and perform funds control for the account(s).

2. Area Budget & Fiscal Officers (ABFO):

- FMMI – Establish the X89 shorthand code
- Deposit of Collected User Fees – Upon receipt of check or money order, prepare a Lockbox Deposit Slip for the deposit. The Budget Object Class for the Collection is 0202
- Purpose of Funds: Services Only Type of Service
- Start/End Dates: Since these are no year funds, this should be set for the maximum term of 5 years
- Recycling Rebates – Credit 100 percent of the proceeds/rebate to the rebate account. FMMI – Create an AR Document
- ARIS – After the funds are deposited, enter the receipt of funds on the Budget Page of the Incoming Agreements Form

Agencies selling material and expendable property to a recycler may retain all sales proceeds as no year funds for use in programs such as recycling and “other employee programs” specified in Public Law No: 111-117. Federal Management Regulation, 41 CFR Part 102-38.295 provides that Federal agencies may retain all sales proceeds from the sale of “property related to waste prevention and recycling programs.” Spent toner cartridges could also be sold under the Exchange/Sale authority provided in FMR 102-39.50. Proceeds from sales of recycling can be used for acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 13423, as well as the development and implementation of hazardous waste management and pollution prevention programs.

### 3. Authorities and Resources

The Energy Policy Act of 2005 (EPACT 2005) - [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109\\_cong\\_public\\_laws&docid=f:publ058.109](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_public_laws&docid=f:publ058.109)

The Energy Independence and Security Act (EISA) of 2007 - [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_bills&docid=f:h6enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h6enr.txt.pdf)

EO 13693 - Planning for Federal Sustainability in the Next Decade  
<https://www.federalregister.gov/articles/2015/03/25/2015-07016/planning-for-federal-sustainability-in-the-next-decade>

Pub. L. 104-52, § 625, 42 U.S.C. 8256 note - <http://codes.lp.findlaw.com/uscode/42/91/III/B/8256>

GAO opinion: *SEC – Retention of Rebate Resulting from Participation in Energy Savings Program*, B-265734 (Feb. 13, 1996) - <http://archive.gao.gov/legald426p2/156296.pdf>

ARS Facilities Design Standards P&P 242.1, Section 6.1.5 - <http://www.afm.ars.usda.gov/ppweb/pdf/242-01m.pdf>

41 CFR Part 102-38.295 - <http://www.dm.usda.gov/property/part10238.pdf>.

FMR 102-39.50 - <http://www.dm.usda.gov/property/part10239.pdf>.

Public Law No: 111-117 - [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h3288enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h3288enr.txt.pdf)

Database of State Incentives for Renewables and Efficiency - <http://www.dsireusa.org/>

Nino Fleri  
Director, Facilities Division