



DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT AGENCY
EUROPE REGION
UNIT 29353, BOX 200
APO AE 09014

SFIM-EU-Z

JUL 26 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 05 Nonappropriated Fund (NAF) Budget Guidance

1. The enclosed FY 05 budget instructions reflect IMA-E strategy to optimize NAF resources as we enter end-state for the Transformation in Installation Management (TIM). Major factors affecting FY 05 Budget are continued deployments and the weakened US dollar. Program and NIBD standards of percentage of total revenue are evaluated at region level in the aggregate. ASGs are evaluated on budget variance only. MWR USA reimbursement must be a priority for every commander to ensure minimal use of NAF for APF-authorized expenses.
2. Distribution of ARMP will be made through the FY04 methodology. The AAFES Simplified Dividend (ASD) will be distributed using the IMA-E NAF Distribution Formula. As recommended by the IMA-E EXCOM on 3 June 04, \$500K of the ASD will be recorded at the region level as contingency. This will be reviewed at mid-year. There is no Corporate CPMC program in FY 05.
3. As was the case in FY 04, the sharp decline in reinvestment capability requires a carefully prepared reinvestment plan. This forms the ASG CPMC budget and begins with a business and marketing plan that outlines the ASG commander's vision. Commanders are directed to ensure that reinvestment dollars are spent wisely. Please note that all NAF Information Management Equipment (IME) purchases must be approved by IMA-E RISO, and made using SNACS (PRISM) with the special routing for IT/IS purchases.
4. Each ASG commander will brief me on the FY05 budget using the budget templates provided by the FMG staff. The briefing schedule is outlined in the budget instructions.
5. Point of contact is Ms. Mary Schweitzer, DSN 370-6877.

Encl

RUSSELL B. HALL
Director

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SUBJECT: FY 04 NAF Budget Guidance

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Fiscal Year 2005 (FY 05) Morale, Welfare, and Recreation (MWR), Veterinary Services and Vehicle Registration (VR) Regional NAF Budget Implementation Instructions

1. Reference DA / CFSC FY 05 Financial Management Operating & Budget Guidance. This document is available @ www.armymwr.com. IMA-Europe Region guidance supplements, but does not replace the referenced DA / CFSC guidance. A thorough review and understanding of this supplement and the DA / CFSC guidance is necessary to properly complete the budget submission.
2. ASGs will furnish a copy of all locally generated Supplemental Instructions (including attachments and templates) to the IMA-E MWR Division Financial Management Group at the time of issue.
3. General Budgeting Philosophy.
 - a. Budgets must be built from the bottom up. Based on their annual business plans, front door managers prepare facility-level budgets based on DA, IMA-E, and local guidance. These facility budgets are then consolidated into BSB budgets. BSB budgets are then consolidated into an ASG budget.
 - b. Budgets must be realistic. Managers of facilities that cannot meet prescribed performance standards must provide a full explanation of the extenuating circumstances. A “Get-Well” plan is required describing how the facility will meet the standard at some defined point in the future. Justification of sub-standard facilities will be part of the commander’s narrative.
 - c. Any changes to original budget submissions must be coordinated back through the submission chain in order to ensure that all levels of management, including the facility managers, are aware of the changes and the rationale for them.
 - d. IMA-E MWRD budget review begins at the ASG budget roll-up level and proceeds downward through each ASG program. A location-by-location review may be necessary when questions arise that cannot be adequately explained at the ASG program level.
4. The primary elements affecting the FY05 budget are addressed below.
 - a. IMA-E Program and Facility Standards. The DA standards are detailed in reference 1 above. Beginning with FY 04 and continuing into FY 05, performance standards are applicable at both the Region and Garrison (ASG) levels. Program and NIBD percentage standards are applied at the Region level in the aggregate. ASG performance will be evaluated against the budgeted NIBD for each program/category. For the left side of the “bubble”, ASGs will be rated “green” when NIBD is equal to or greater than budget, and “red” when NIBD is less than budget. There is no “amber” rating. On the right side, budget variance will be rated “green” when equal to or less than 10%, amber when greater than 10% but less than 15%, and “red”

when greater than 15%. The “Commander’s Mission Box” option in SMIRF has been updated to reflect this change. The Europe Region standards for the ASGs are based on the DA standards for mission box categories. Evaluation will be at the facility level. This does not preclude ASGs from setting more stringent performance standards as the commander deems appropriate.

b. ASG Business Plans. ASGs experienced a sharp decrease in reinvestment capability during FY 04. The weak dollar and deployments, both key elements in this decline, are expected to continue through FY 05. It is imperative that each ASG have a reinvestment plan that is focused on establishment of a healthy NIBD. In the Europe Region, the CPMC budget is the reinvestment plan. The development of the CPMC budget begins with a reasonable business/marketing plan that outlines the commander’s vision and identifies requirements to realize that vision. Both the business and marketing plan are required supporting documentation for the CPMC budget.

(1) The body of the business plan includes four distinct sections: 1) the description of the business, 2) the **marketing plan**, 3) the **financial management plan/budget** and 4) the **management plan**. Addenda to the business plan should include the executive summary, supporting documents and financial projections.

(2) A marketing plan is a written statement of how you intend to direct your activity's operations and promote its functions. A marketing plan answers three important questions:

- What is your present situation? (Where does your activity fit in the competitive market?)
- Which direction did you come from? (Has your activity been doing the right things in the past?)
- Which direction should you go? What things should your activity be doing to ensure success? What marketing mix (Product, Price, Place/Distribution, and Promotional efforts) will achieve your business goals?

c. Indirect Revenue Distribution/Corporate CPMC Program. AAFES Simplified Dividend (ASD) and Army Recreation Machine Program (ARMP) distributions will be made in the same manner as FY 04. The Corporate CPMC program will be limited to the funding of the bowling center initiative.

d. Budget review process. IMA-E MWRD Program and FMG staff will review submissions. After budgets are finalized, ASG commanders will brief completed budgets to the Region Director. Commanders will use standard templates provided by the IMA-E MWRD FMG. FMG will provide historical and current data, while ASGs provide budget numbers. Briefings will be scheduled by IMA-E, and coordinated with the ASGs.

5. Budget Submission Requirements. MWR and Vehicle Registration activities will use FMBS formats. FMBS version 2.0 will be used for the FY 05 budget preparation. Input will be made using the Internet, onto the database maintained on the MWR Information Management Support server. This enables input by facility managers, directly to the FMBS database. ASGs will have the capability to review all facility budgets and consolidate them. ASGs are encouraged to use

the new database to its full potential by allowing facility managers this opportunity. Each ASG is responsible for completing a budget for each fund consisting of the separate elements listed below:

a. Reinvestment Plan (CPMC Budget). The Region Director will review the plans personally. Projects in the CPMC budget must correspond to objectives outlined in the Business Plan. ASGs are required to provide an ROI and NAF data sheet for **all** projects submitted that are \$100K or more. Additionally, DA Form 4283, DPW Work Request must be submitted for these projects, and a full scope of work completed by DPW. All 3 documents (ROI, 4283 and NAF data sheet) will be submitted to IMA-E FMG for technical review. The review team will consist of MWRD program managers and Single Fund staff. Templates and instructions for ROI of CPMC projects are at website www.armymwr.com, under financial management.

b. Commander's Narrative. Each ASG budget must include a commander's narrative. The Region Director will review each narrative to ensure that the commander's plan supports the overall goal of successfully sustaining MWR programs beyond FY 05. The commander's narrative must address the items listed below and be signed by the commander personally (not for him/her).

(1) Statement of current operations to include significant trends that could impact on future performance.

(2) Command goals and supporting objectives to close the gap between current and expected levels of financial performance.

(3) Anticipated cost savings and overhead reductions to make programs more efficient.

(4) Anticipated increases in NIBD based on facility/program performance.

(5) Plans to maximize MWR USA for APF-authorized expenses.

(6) Facilities under consideration for closure/consolidation and supporting rationale.

(7) New NAF operations and initiatives.

(8) Assessment of causes and remedies in cases where programs or facilities are not expected to achieve financial standards.

(9) CYS revenue projection tool showing numbers and % of discounts offered.

c. Annual Operating Budget. (DA Form 5318-E) from FMBS. The following reports, at a minimum, are to be used as tools for budget review.

(1) AOB Summary Budget by Program Category.

(2) AOB Detailed Budget by Program.

- (3) AOB Detailed Budget for each Category C “front door”.
 - (4) Consolidated ASG by Fund Statement in both Summarized and Detailed Format.
 - (5) AOBs by location in detail for department GL.
- d. APF / NAF Five Year Financial Plan (DA Form 5320–1–E) from FMBS.
- (1) Must be prepared by program (**NOT** location) and consolidated by ASG.
 - (2) APF budget data must be obtained from the ASG DRM; FY 06 and beyond will be straight-lined, with inflation factor.
 - (3) All APF expenses, funded and unfunded, **MUST** be listed under the applicable program and location code in department GL.
 - (4) NAF data from FY 05 will transfer automatically from the AOBs; FY 06 – 09 data must be entered manually and **MUST** be realistic.
 - (5) CYS spaces and plan to grow “spaces” if applicable.
 - (6) CYS Staffing Template and right size plan at BSB and rolled by ASG with overall staffing plan, which should include a plan for excess and right sizing.
- e. CPMC Budgets (Parts A – D).
- (1) Use DA Form 5321-E from FMBS to budget for **all** CPMC projects funded by the ASG. Care must be taken to ensure that projects are budgeted as the correct type:
 - Type 1 (Part A) - Purchases meeting fixed asset criteria.
 - Type 2 (Parts A and C) - Minor construction.
 - Type 3 (Part B) - Capital Purchases for NAFMC.
 - Type 4 (Parts A and D) - Maintenance & Repair.
- Note: FMD assigns the type, FMBS will move to appropriate section in CPMC budget.
- (2) CPMC projects will not be automatically carried over – any projects not completed by end of FY 04 must be entered into the new fiscal year. ASGs are encouraged to “scrub” current CPMC budgets to start FY 05 with an accurate list.

(3) Yearly locally funded CPMC **MUST NOT** exceed yearly NIBD plus allowable carryover. IMA-E FMG will provide maximum funding limits for each ASG.

(4) CPMC purchase items are those that have an individual cost (including installation and freight) of at least \$1000 and a useful life of at least 24 months. Items not meeting this definition **MUST** be budgeted as expenses.

(5) IMA-E **DOES NOT** allow recognition of fixed assets under the “bulk purchase rule” as described in the DA / CFSC guidance.

(6) Minor Construction Projects (\$200 - \$750K) **MUST** include the front page of the DD Form 1391 as an attachment.

(7) APF authorized CPMC expenditures (recorded in GLAC 181) will be identified in FMBS by placing “APF AUTH” as the first words of project description.

f. Five-Year Cash Projection Schedule (DA Form 5911-E) from FMBS. ASGs will not prepare a 5-year cash schedule – it will be prepared at the Region level.

g. NAF Major Construction Schedule (DA Form 5911-2-E). This will be prepared at the Region level.

h. Personnel Requirement Document (PRD) in Excel format, as provided by IMA-E, and available on the MWR Portal. This will be further supported by a copy of CYS staffing template.

i. Table of Distribution and Allowances (TDA).

j. Complete Listing of all Fund, Division, Program, Location, & Department Codes with descriptions of the division and location codes indicating literal location (city, caserne, and proper name - not just “club”, “bowling center”, etc.). Location Codes are locally assigned, but they must be reviewed before beginning the budget process to ensure that they reflect actual physical locations, that multiple physical locations do not share the same location code, and that the listed location codes are used correctly. All changes/additions to location codes must be coordinated with IMA-E MWRD FMG before submission to CAD for implementation.

k. Detailed schedules for any items budgeted in the **Miscellaneous** (599, 799, 825, 850) and **Inter-fund Transaction** Accounts (307, 598, 798). Inter-fund account usage must be coordinated by both the issuing and receiving funds to ensure that the overall IMA-E inter-fund accounts balance to zero.

l. **Signed MWR USA MOAs** including attachments.

6. Budget Review. ASGs will notify the MWRD FMG when the budget is complete. The budget review will be conducted jointly by the MWRD FMG staff and the MWRD program proponents. Supporting documents to the budgets not available through FMBS (draft

commander’s narrative, etc.) will be sent to the MWRD FMG either via E-mail, fax, or courier by the date listed below. After initial review, comments will be sent to ASG FMD offices for corrections, justifications, etc. ASG commanders will brief finalized budgets to the Region Director.

7. Timelines. Budgets must follow the timeline below:

“First Cut” Review of AOB & CPMC submitted by ASGs 2 Jul

ASGs will complete budgets and submit to the Region for review.

PRD, Cmdrs narrative, Business Plan, MOAs – may be in draft, but must be provided

Region review – MWRD FMG and Program Managers 2-18 Jul

MWRD FMG and program managers review all ASG budgets, and provide input back to ASGs

NLT 21 Jul.

ASGs make all changes, brief commander, finalize budget

4 Aug

All budget documents due to the MWRD FMG by 16 Aug

ASG commanders brief Region Director

TBD

8. There are no Program Code changes for FY 05.

9. Department Code changes as detailed in the referenced DA / CFSC guidance.

10. GLAC Code changes as detailed in the referenced DA / CFSC guidance.

11. Marketing Guidance:

a. See para 4b(2) above for detailed marketing plan guidance.

b. Commercial Sponsorship.

(1) Revenues. Sponsorship income **is supplemental funding** and will be credited at the location/program level, in the appropriate department, in GLAC 553.

(2) Expenses.

(a) Costs of soliciting sponsorship at the ASG or regional marketing center-level will be budgeted under program code RU, department 9G, in the appropriate GLAC.

(b) Costs related to the organizing/conducting the sponsored event will be recorded at the location level in the appropriate program and department codes (not RU and 9G).

(3) Return on Investment (ROI) analysis should be part of budget development. The sponsorship projection will be based on a **goal** ROI of 300%. For costs include: salary and

benefits of personnel directly involved in getting sponsorship; expenses for soliciting (advertising for sponsorship, production of solicitation brochures, expense accounts, TDY costs. etc.), any special expenses incurred in meeting sponsorship obligations; and after-event expenses (after-action reports, appreciation letters to sponsors, thank-you ads, etc.). For revenues include: all cash obtained; Cost Of Goods Sold (COGS) for products and services which meet identified or budgeted expenses; COGS for prizes used in raffles or similar fund-raising activities; COGS for products which are sold. Do not include promotional items such as keychains, hats, t-shirts, discount coupons, etc., unless they are sold or meet identified or budgeted expenses.

c. Advertising Sales.

(1) Revenues. Income produced through the sales of advertising will normally be recorded in Marketing (RU), GLAC 557. Income from advertising sales that pertain to a specific program or location, however, may be credited to that program/location, also in GLAC 557.

(2) Expenses. Costs related to the sales of advertising will be recorded in the Marketing (RU) program code, department 9H.

(3) **ROI.** Budget ceiling will be based on a minimum ROI of 300%. ROI analysis should be included as part of the budget submission. For costs include: salary, benefits, and commissions of sales personnel; travel expenses; and production of sales materials.

d. **Advertising in the “Stars and Stripes.”** Current cost for advertising in the “European Stars and Stripes” is \$26.00 per column inch. A price increase may occur in Jan 05, but the amount is unknown at this time.

12. Accelerated Depreciation: DoD FMR 7000.14-R, paragraph A040401, E states that “generally accepted accounting principles dictate that once an accounting principle is adopted it should not be changed for events and transactions of a similar type”. Depreciation is an established accounting principle. Except for aircraft, which may use flying hours, Army NAFIs are directed to use only the straight-line method. Accelerated depreciation is a change in accounting methodology and must be approved by the fund manager.

a. When it is known that accelerated depreciation must be initiated, the IMA-E MWR Single Fund manager must be notified immediately. Early identification of the necessity to invoke accelerated depreciation is imperative to avoid impacting the bottom-line, which occurs when a loss on disposal of assets is recorded. All equipment that will be removed and disposed of either by transfer, turn-in, sale, or official disposition via a contractor must be included in the accelerated depreciation memorandum request regardless of whether a facility is being closed or being renovated. An example of equipment that must be identified during this process is the pinsetters in a bowling center.

b. Examples of fixed assets that may require accelerated depreciation are as follows: (1) It is determined that a facility will be closed with a target date of six months from the determination. The un-depreciated value of the assets should be identified and a memorandum requesting

accelerated depreciation forwarded to the Single Fund Manager. A complete description of the fixed asset must be included (i.e., make, model, year, serial number, acquisition cost, asset number, program code, location code, department code, number of steps remaining, total un-depreciated value). (2) Corporate projects that will impact all Area Support Groups (ASGs) will require the area impacted to be reviewed upon the initial establishment of the project (i.e., the bowling upgrade project that is nearing completion. Requests that were forwarded to the Single Fund Manager were processed quickly to allow the accelerated depreciation to begin promptly. It must be understood that the DoD 7000.14-R requires a full month of depreciation be charged against the asset in the month it is removed from property control records).

13. Purchase of Information Management Equipment (IME).

a. Army MWR Board of Directors (BOD) mandated MWR Management Information Systems for all MWR activities. Refer to IMA document dated 18 Nov 2003, on AKO at <https://www.us.army.mil/portal/jhtml/dc/sf.jhtml?doid=697833>. List of MWR mandated systems is at <http://www.hqmwarmy.mil/Misapps/misdesc.htm>.

b. NAF IME purchase and replacement follows the policy as mandated by MWR BOD, Army Regulation 25-1, dated 31 May 2002, Army Regulation 215-1, para 7-31, dated 25 October 1998, and Army in Europe Supplement 1 to AR 25-1, dated 27 February 2004, para 3-11.

c. NAF IT/IS CPMC Purchases. When NAF resources are used to acquire IM hardware, or information systems to support a NAF activity, approval will be made by and through the NAF chain of command. Although this approval is outside normal IM channels, it will not interfere with other requirements (for example, the IM-planning process, coordination with the supporting DOIM, compliance with the IA). References in Army in Europe Supplement 1 to AR 25-1, to Office of the G1, HQ USAREUR/7A now refer to IMA-E, MWRD. The change will appear in next update of supplement.

(1) All purchases must be approved by IMA-E RISO, and made using SNACS (PRISM) with the special routing for IT/IS purchases. See attached flow chart (enclosure 1) for process.

(2) POS Equipment. Requirements for POS equipment and systems will be fulfilled using one of the mandated systems: RecTrac!, GolfTrac!, Child and Youth Management Systems (CYMS) or Micros. Assistance in selecting correct system is available from Mr. Boatwright, Regional Information Services Officer (RISO).

d. Time, Labor Management System (TLMS) Maintenance. Garrisons should budget an amount equal to the invoice they received in FY 04 for their maintenance costs.

e. Training. Each garrison should budget per diem, travel and other costs for a minimum of four one-week training classes at the MWR Training and Development. These classes will include the Garrison Information Services Officer, and Applications Administrator for RecTrac!, GolfTrac!, TLMS, SNACS, and Information Assurance as required for ISO security certification training.

f. Office Automation IS and Email. All purchases are made with APF. Microsoft software licenses are provided by the ASG Information Office or purchased thru Army Microsoft Enterprise License Agreement (ELA). See Army in Europe Memorandum, Subject: Enterprise License Agreement - Microsoft (ELA-MS) Policy for the Army in Europe, dated 23 October 2003.

g. Connectivity. MWR IS rely on dedicated connectivity and in some cases Internet access. Each garrison must coordinate with their respective Director of Information Management to ensure connectivity requirements are identified and prioritized as part of the Garrison Program Evaluation Group (II PEG) submission.

h. IMA-E's policy for replacement of IME is planned for and normally replaced according to a 5-year lifecycle unless significant economic reasons or a major change of mission justify otherwise. IME will not be requested to replace existing items only to keep pace with technology or for aesthetic reasons.

i. IMA Moratorium. An IMA moratorium is in effect on expenditure of funds to upgrade or proliferate current automated information systems (AIS) being used to support IMA business processes with the exception of MWR MIS. Refer to IMA memo dated 15 Sep 03, on AKO at <https://www.us.army.mil/portal/jhtml/dc/sf.jhtml?doid=687697> .

14. RIMP. Risk insurance management program premiums must be included in your budget. Since IMA-E Single Fund has overall responsibility for oversight and solvency of the fund, all losses incurred must be reported to the Single Fund manager as follows:

a. Up to \$1,000 in value may be reported (with a detailed description of loss) at month end with the summary of RIMP reports for the month.

b. Losses exceeding \$1,000 in value are to be reported telephonically within one business day of discovery. Notification will be made to MWRD FMG, Management Control and Assistance Branch (MCAB). The following personnel are authorized to accept the notification: (1) Beverly J. Bennett, Chief, MCAB; (2) Mary Schweitzer, Chief, Budget & Analysis. Telephonic notifications must be confirmed in writing with detailed description of losses. This is in addition to notification of loss to CFSC RIMP Office as outlined in AR 215-1, paragraph 14-27.

Need to establish FCC subsidy budget, MOA, and program code.

15. Club/FBE Operations.

a. The DA guidance contains standards for clubs (KG only). Clubs will be reviewed by the MWRD program manager and evaluated against these standards. Program code KG (community clubs) is primarily for membership community clubs with or without dues, and may have food/beverage, bar, DJ/dancing and slot operations. Program code KM (food, beverage,

entertainment) should include restaurants, catering centers, lounges, high-energy nightclubs, sports bars and the like. See AR 215-1, para 8-17b & c.

b. Club Annexes. As has been the case since FY 03, each “front door” should have a separate location code. An annex may be budgeted, but must meet all of the following criteria:

- Provides a service that the primary facility does not - i.e., catering;
- Has limited hours of operation that do not compete with primary facility;
- Does not have a manager - shares costs with primary facility using labor transfers;
- Has warehouse issues/supplies issued by primary facility – meaning, issues are made by the central warehouse to the location code of the primary facility. Goods will be transferred using a Transfer Between Activities (TBA). The annex will not maintain a separate “account” with the warehouse.

c. Facilities operated solely by a concessionaire will be assigned a separate location code. For example, if a catering facility is run by a concessionaire, a location code will be established for the operation. All income will be credited to department G1, GLAC 502.

16. Volksfests. Effective with FY 02, and still policy, ASGs have two options for use in recording Volksfest operations.

a. The first option is to record all revenue and expenses in program code “LV”, using the appropriate department code. Income would not be transferred to other programs. Costs for labor provided by other programs or facilities will be charged to LV using a labor transfer. Care will be given to accurate identification and reporting of salaries/wages from other programs or activities to capture true labor costs.

b. The second option is to record the Volksfest IAW UR 215-5, which states that, “Community fest revenue, including concessionaire income and beer-tent concessionaire income, will be recorded in program code LV (Other Category C Activities). Fest revenue will not be allocated or prorated among activities. Expenses directly associated with the fest will also be recorded in program code LV. The exception is an activity that operates a fest facility using only its own labor and other internal resources. Revenues and expenses from these activities may be recorded in the program and location code for that activity, with department code 16 (Mobile Snack Bars) being used for all food operations and department code 5K (Carnival Activities) for all beverage operations.” If the second option is used, and a facility is running an operation at a fest, all accounting documents (Daily Activity Reports (DARs), warehouse/labor transfers, etc.) must be coded with that facility’s location code. All internal controls and standard operating procedures associated with that facility’s primary operation will be in effect during the Volksfest. The fest will simply be an extension of that activity’s operation. Separate DARs will be prepared for each activity, for every day of fest activity IAW AR 215-1.

17. BOSS Program. In FY 05, the BOSS program will be recorded in program code JN. The department code, 9F, remains the same. Accounting practice for BOSS continues to be as any other NAF activity, and any profit remaining at the end of the FY “zeros” on 1 Oct of the next

FY. ASGs are encouraged to work with the BOSS POCs to develop realistic budgets, enabling them to make the best use of their funds.

18. Additional IMA-E Specific Instructions:

a. Data Entry into FMBS: Data is to be entered into FMBS in detailed format on a line-by-line basis. Only the CPMC requirements for the last 3 out years may be summarized. However, in order to reduce the amount of keying required to enter labor figures into FMBS, labor budget numbers may be consolidated as follows:

- (1) U. S. Salaries & Wages enter all into GLAC 601
- (2) U. S. Insurance & Benefits enter all into GLAC 624
- (3) L. N. Salaries & Wages enter all into GLAC 602
- (4) L. N. Insurance & Benefits enter all into GLAC 625

ASGs opting to use consolidated labor GLAC input will submit detailed supporting worksheets for each individual labor GLAC. It is recommended that the ASGs use the labor templates provided by IMA-E FMG.

b. MWR USA Practice.

(1) Conversions of vacant APF positions to NAF positions are not allowed except in CYS as required by CYS staffing template.

(2) ALL APF authorized expenses, funded and not funded, will be recorded in department GL. The negative NIBD in GL will be considered the APF shortfall for that program. The only income authorized for department GL is 508, "USA income". ASGs will use AR 215-1 dated 28 October 1998, and encl 8 of the DA budget guidance to determine APF authorizations. Care must be taken to identify ALL NAF positions that are currently performing APF-authorized functions.

(3) MOAs must contain ALL APF authorized expenses – funded and unfunded. Both funded and unfunded expenses will be budgeted in the appropriate locations in department GL. Including all APF shortfalls in the original MOA will preclude the requirement for an amendment if/when additional APF funding becomes available. MOAs will be used to review GL budgets – total GL budget must be reflected in the MOA.

(4) Fixed assets purchased with NAF that are APF authorized must be capitalized in GLAC 181. Accumulated depreciation will be recorded in GLAC 182. GLAC 860 will be used to record depreciation for these assets.

c. Currency Rates

\$ 1.00 = Euro .80

d. The accounting and budgeting cut-off date for Calendar Year-end is 31 Dec 04. All revenue must be budgeted and recorded in the accounting records for the month that the revenue is earned. All expenses must be budgeted and recorded in the accounting records for the month that the expenses are incurred.

19. POCs for the above guidance are Mary Schweitzer, schweitzer@ima-e.army.mil, DSN 370-6877, Lobo Fortmeyer, fortmeyerc@ima-e.army.mil, DSN 370-6361, and Mike Heffernan, heffernan@ima-e.army.mil, DSN 370 – 7396.

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Enclosures:

1. Information Management Equipment Purchase Flowchart

2. Distribution of Indirect Revenues



FY05 ARMP- GLAC 524

| ARMP | Oct-04 | Nov-04 | Dec-04 | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 | Jun-05 | Jul-05 | Aug-05 | Sep-05 | TOTAL |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| 6TH | 33.9 | 38.8 | 32.2 | 33.6 | 35.7 | 38.2 | 39.1 | 41.1 | 34.3 | 25.5 | 28.7 | 30.2 | 411.3 |
| 22D | 15.7 | 17.9 | 14.9 | 15.6 | 16.5 | 17.7 | 18.1 | 19.0 | 15.9 | 11.8 | 13.3 | 14.0 | 190.5 |
| 26TH | 129.2 | 147.9 | 123.0 | 128.2 | 136.1 | 145.6 | 149.2 | 156.9 | 130.7 | 97.3 | 109.6 | 115.2 | 1,568.8 |
| 80TH | 3.3 | 3.8 | 3.2 | 3.3 | 3.5 | 3.7 | 3.8 | 4.0 | 3.4 | 2.5 | 2.8 | 3.0 | 40.4 |
| 98TH | 80.9 | 92.6 | 77.0 | 80.3 | 85.2 | 91.2 | 93.4 | 98.3 | 81.8 | 60.9 | 68.6 | 72.2 | 982.3 |
| 100TH | 48.5 | 55.5 | 46.1 | 48.1 | 51.0 | 54.6 | 56.0 | 58.9 | 49.0 | 36.5 | 41.1 | 43.2 | 588.5 |
| 104TH | 138.6 | 158.6 | 131.9 | 137.5 | 145.9 | 156.2 | 160.0 | 168.3 | 140.2 | 104.3 | 117.6 | 123.6 | 1,682.7 |
| TOTAL | 450.0 | 515.2 | 428.3 | 446.6 | 473.9 | 507.3 | 519.6 | 546.6 | 455.2 | 338.8 | 381.8 | 401.4 | 5,464.7 |

| ARMP FY05 | Oct-04 | Nov-04 | Dec-04 | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 | Jun-05 | Jul-05 | Aug-05 | Sep-05 | TOTAL |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| IMA-E SHARE | 360.0 | 412.2 | 342.7 | 357.3 | 379.1 | 405.8 | 415.7 | 437.2 | 364.2 | 271.1 | 305.4 | 321.1 | 4,371.8 |



FY05 ASD - GLAC 545

| ASD | Oct-04 | Nov-04 | Dec-04 | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 | Jun-05 | Jul-05 | Aug-05 | Sep-05 | Total |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| 6TH | 63.3 | 74.3 | 59.8 | 53.3 | 82.7 | 58.3 | 56.8 | 67.1 | 61.1 | 53.0 | 69.9 | 54.9 | 754.5 |
| 22D | 51.4 | 58.5 | 49.1 | 45.0 | 63.9 | 48.2 | 47.2 | 53.9 | 50.0 | 44.8 | 55.7 | 46.0 | 613.7 |
| 26TH | 144.4 | 182.2 | 132.3 | 110.0 | 211.2 | 127.2 | 122.0 | 157.5 | 136.9 | 109.1 | 167.2 | 115.6 | 1,715.5 |
| 80TH | 51.5 | 58.7 | 49.3 | 45.1 | 64.1 | 48.3 | 47.3 | 54.0 | 50.1 | 44.9 | 55.8 | 46.1 | 615.3 |
| 98TH | 132.7 | 166.7 | 121.8 | 101.8 | 192.7 | 117.2 | 112.6 | 144.5 | 126.0 | 101.0 | 153.2 | 106.8 | 1,576.9 |
| 100TH | 89.8 | 109.5 | 83.4 | 71.8 | 124.6 | 80.8 | 78.0 | 96.6 | 85.8 | 71.3 | 101.7 | 74.7 | 1,068.0 |
| 104TH | 137.3 | 172.7 | 125.9 | 105.0 | 199.9 | 121.1 | 116.3 | 149.5 | 130.2 | 104.2 | 158.7 | 110.2 | 1,631.0 |
| SF | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 41.7 | 500.0 |
| TOTAL | 712.0 | 864.3 | 663.3 | 573.4 | 980.9 | 642.8 | 621.9 | 764.7 | 681.8 | 570.1 | 803.8 | 596.0 | 8,474.9 |

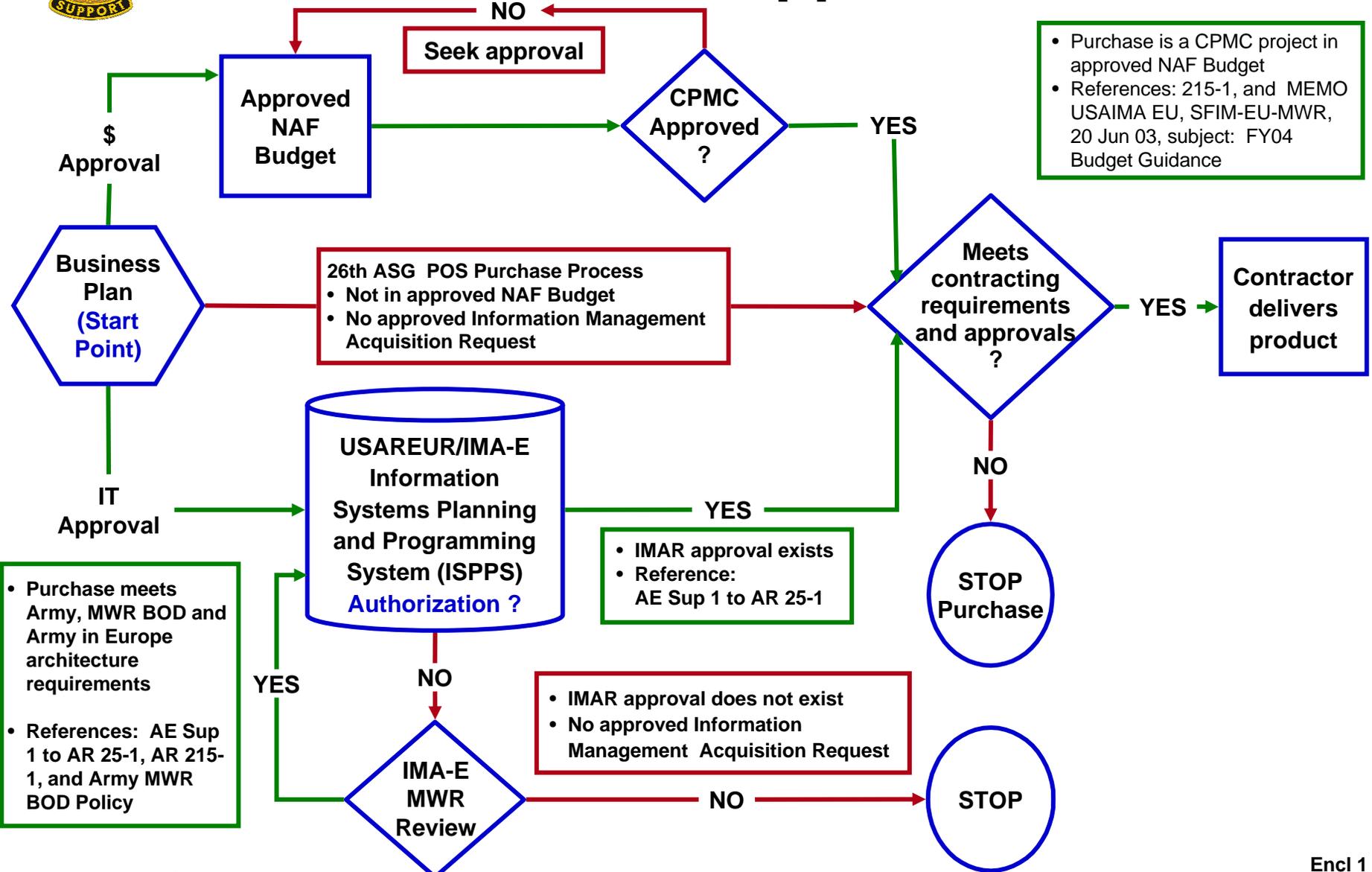


FY05 AAFES Phone - GLAC 549

| PHONE | Oct-04 | Nov-04 | Dec-04 | Jan-05 | Feb-05 | Mar-05 | Apr-05 | May-05 | Jun-05 | Jul-05 | Aug-05 | Sep-05 | Total |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| 6TH | 8.7 | 13.2 | 11.2 | 9.6 | 9.5 | 8.8 | 8.5 | 8.8 | 14.5 | 12.4 | 10.8 | 9.9 | 126.0 |
| 22ND | 5.6 | 8.5 | 7.2 | 6.1 | 6.1 | 5.7 | 5.5 | 5.7 | 9.3 | 8.0 | 7.0 | 6.4 | 81.0 |
| 26TH | 29.9 | 45.2 | 38.5 | 32.9 | 32.8 | 30.3 | 29.2 | 30.4 | 49.9 | 42.7 | 37.3 | 34.0 | 433.0 |
| 80TH | 5.6 | 8.5 | 7.3 | 6.2 | 6.2 | 5.7 | 5.5 | 5.7 | 9.4 | 8.0 | 7.0 | 6.4 | 81.5 |
| 98TH | 26.8 | 40.6 | 34.6 | 29.5 | 29.4 | 27.2 | 26.2 | 27.3 | 44.8 | 38.3 | 33.5 | 30.5 | 388.7 |
| 100TH | 15.6 | 23.6 | 20.1 | 17.2 | 17.1 | 15.8 | 15.2 | 15.9 | 26.1 | 22.3 | 19.5 | 17.7 | 226.1 |
| 104TH | 28.0 | 42.4 | 36.1 | 30.8 | 30.7 | 28.4 | 27.4 | 28.5 | 46.8 | 40.0 | 35.0 | 31.8 | 406.0 |
| TOTAL | 120.3 | 181.9 | 155.0 | 132.2 | 131.9 | 122.0 | 117.5 | 122.3 | 200.8 | 171.8 | 150.0 | 136.7 | 1,742.4 |



NAF IT Purchase/Approval Process



IMA-E FY05 Lodging NAF Supplemental Budget Instructions

1. Reference: CFSC-BPL memo dated 2 Mar 04. Subject: Implementation Instructions for Consolidation of Army Lodging Nonappropriated funds.
2. Reference merges all Army Lodging NAFIs and sets responsibilities at HQDA, CFSC, IMA-E Region and Garrison levels for Lodging fund management.
3. Each Lodging operation must have a separate annual operating budget and manager's narrative. Budgets will be consolidated at the garrison (ASG) level and have one commander's narrative
4. Additional occupant charge for Europe Lodging is set at \$5.00 at all lodging operations, except those offering Continental Breakfast. At the facilities with Continental Breakfast program, the additional occupant charge will be \$7.00. Requests for higher additional occupancy fees or other special lodging fees (pets, late check-out, etc.) must be fully supported in narrative and require region approval.
5. CPMC projects should continue to be budgeted for facilities which are in serious need of furniture fixtures and equipment replacement. Approval of facility repair and maintenance projects will be withheld until wellness prioritization has been established.
6. Local support for contract services should continue to be addressed in memorandum of agreement between Lodging and MWR. Only delivered services will be billed as transition to CFSC contracting support occurs.
7. Until economically feasible ways to count personnel actions are identified, continue to establish civilian personnel costs for lodging, based on percentage of total active employee folders serviced.
8. Consolidated purchasing requirements must be submitted by **1 Sep** to IMA-E lodging.
9. Transition of Accounting from 266th to DFAS-NFS on **1 Oct 04**. Transition plan and actions will be submitted under separate cover. Estimate accounting costs at half of FY04 levels.
10. Lodging Installation codes will change to MWR installation codes on **1 Oct 04**. All other codes (fund, program location, departments are unchanged). Department G1 is reserved for IMA-E region activities.
11. Uses Budget Template Version 3a11 (dated 10 June 2004) for submissions.
12. Lodging is a non-MWR, mission activity. Appropriated fund support is authorized for official lodging expenses as defined in DODI 1015.12 Lodging Program Resource Management (Encl 4). Requirements must be identified during the APF budget building process. Lodging has specifically designated accounting codes, but these codes are aligned under Engineer and Housing programs. Close coordination between Engineer and MWRD resource managers is required to insure that adequate support is identified. Garrison commanders are required to budget for authorized APF support for lodging programs, and to provide support at the same level as other mission activities, when funds are available.
13. All garrison lodging budgets must be submitted to IMA-E region by **7 Aug 04**, along with all required supporting documents. Budget templates must be submitted on compact disk and all other documents in hard copy or by e-mail. Mailing Address for submittals is: IMA-Europe Lodging ATTN: Ron Witcher, CMR 432, Box 125, APO AE 09081

14. In addition to DA submission requirements, include proposed/current personnel requirements document, and Risk Management annual assessment.
15. Beginning cash will be half of FY05 capital budget (as listed in FY04 approved budget) less any amount of NIBD below budget but not less than zero. Add any significant amount of NIBD above budget as of May 04 income statements. Working capital is no longer required.
16. Garrison Commanders may approve reprogramming up to \$25,000 per year between approved projects.
17. Individual projects exceeding 25% of approved budget, new projects, or any project causing CPMC to exceed total annual approved amount must be approved by region.
18. Europe lodging office will provide initial budget review upon lodging managers request.
18. No excess funds are anticipated to accrue during this fiscal year.
19. Program management will be funded from the Europe Lodging operations, to include centrally supported workshops, program and assistant program managers, operational and training travel, central capital reinvestments, and projects which benefit all Europe lodging operations. Penn State, ACTEDS training, and other specified courses will be funded from Army Lodging Single Fund at CFSC.
20. Lodging rates are held at FY 04 levels. Rates may not be waived or reduced for any reason other than by the fund manager for recovering from a customer service failure. Debts from services provided by Europe Lodging may not be waived.