



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

SFIM-EU-MW

FEB 27 2004

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 04 MWR NAF Budget Revision Guidance

1. The Global War on Terrorism, deployments and a weak U.S. dollar have had a significant impact on MWR operations. December MWR NAF financial results show that only one ASG is within the 10% allowable budget variance for Net Income Before Depreciation (NIBD).
2. It is apparent that a revision to the FY 04 MWR NAF budget must be developed as soon as possible. ASGs are requested to begin the revision process immediately, with a suspense date of 22 Mar 04. Revisions will be effective 1 Apr 04.
3. The FY 04 Europe Region NAF supplemental instructions and CFSC budget guidance, available at <https://apps.mwr.army.mil/fmgportal/>, remain in effect with the following additional information:
  - a. EURO Conversion Rate. The dollar to EURO conversion rate has fallen since the preparation for the FY 04 budget. The conversion rate for the revision will be EURO .80 to \$1.
  - b. Labor costs. Due to the falling dollar, costs for Living Quarters Allowance (LQA) and Post Allowance (PA) have increased dramatically. ASGs should carefully check budgeted amounts for these costs against actual payroll data. Updated labor worksheets will be provided to the ASG FMDs electronically.
  - c. Supporting documentation for Capital Purchase, Minor Construction (CPMC) projects. The Europe Region NAF supplemental budget guidance contains detailed instructions for CPMC budget preparation. The requirement for supporting documentation for CPMC projects meeting certain criteria is a key element in the NAF budget process. CPMC budgets will not be approved until the requirement is met for each applicable project. The guidance states that "ASGs are required to provide an ROI and NAF data sheet for **all** projects submitted that are \$100K or more. Additionally, form DA 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](http://www.armymwr.com), under financial management." In addition, all purchases of NAF vehicles intended for use in revenue producing programs must be supported by a return-on-investment analysis for the entire program (i.e., amusement machine program). The requirement includes shuttle bus/van services. The ROI template will be sent electronically to the ASGs. Commanders please note that the supporting documents are

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tools to use when making decisions in this difficult funding environment. Also, commanders must ensure that this process is completed before budget submission. CPMC execution may not start until formal Region Director approval is obtained.

d. MWR Management Information Systems (MIS). Use of Army MWR Board of Directors mandated MWR MIS is required for all MWR activities. See 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.hqmwrr.army.mil/Misapps/misdesc.htm>.

- Point of Sale (POS). 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).

- NAF Information Technology/Information Systems (IT/IS) purchases. All NAF purchases must use the Information Management Acquisition Request (IMAR) process delineated in Army in Europe Supplement 1 to AR 25-1. References in subject supplement to Office of the G1, HQ USAREUR/7A now refer to IMA-E, MWRD. The change will appear in next update of supplement. See attached flow chart for process.

- NAF IT/IS CPMC purchases. All purchases must be approved by IMA-E RISO. Purchases made using SNACS (PRISM) will use the special routing for IT/IS purchases. Contracting officers who do not use SNACS for the IT/IS purchase will send a complete copy of the purchasing documented by scanned e-mail to [robert.boatwright@ima-e.army.mil](mailto:robert.boatwright@ima-e.army.mil) or by FAX to DSN 370-8097 CIV 06221-57-8097.

- Office Automation and E-mail. 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).

- 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> .

e. IAW AR 215-1, our Category C (Cat C) facilities and programs are to perform as revenue generating activities. Current Army standards are 10% NIBD for food, beverage and entertainment (FB&E) and 19% NIBD for bowling and golf. However, as of the end of 1st Qtr FY04, less than half of our Cat C activities are above break-even, and our combined performance stands at 8.3% for FB&E, 15.8% for golf, and only 2.9% for bowling. The IMA-E Business Branch staff will be working with respective ASG staffs to determine which losing activities

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offer the best potential for closure, consolidation into other programs or facilities, or remaining open under a sound business plan.

4. Budgets for FY 04 rely heavily on increased APF reimbursement for authorized expenses in NAF programs. Commanders are reminded to closely monitor execution of the MWR USA program.

5. IMA-E FMG POC is Mary Schweitzer, DSN 370-6877.

For:    
RUSSELL B. HALL  
Director

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