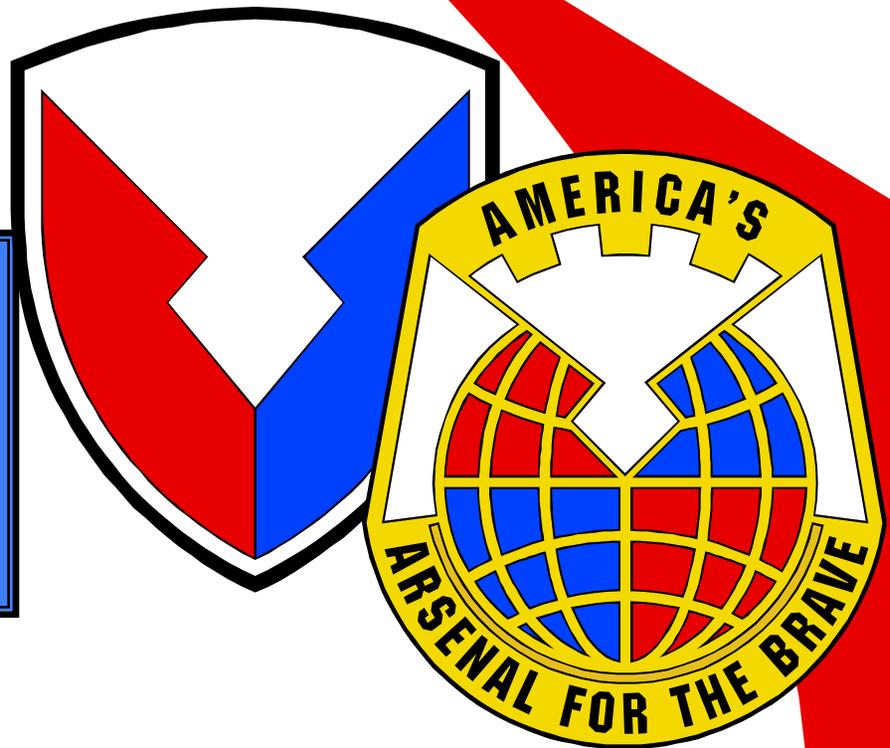


*Presented by:*  
**Bob Anastasio**  
**Morale, Welfare & Family**  
**Services Division**

# **Army** **Materiel** **Command**

**Depot/Arsenal Commanders**  
**Orientation**



***AMC – Relevant, Responsive & Ready!***

## AMC Command R&A Metrics DCS Personnel

**Overall  
Rating**

Metric Title	AMCOM	ARL	CBDCOM	CECOM	IOC	SSCOM	STRICOM	TACOM	TECOM	USASAC	AMSAA	ARO	LOGSA	MEA	AMC
MWR Profitability	█	-	-	●	█	█	-	█	█	-	-	-	-	-	█
MWR Budget Variance	●	-	-	●	●	●	-	●	●	-	-	-	-	-	●



As of Mar 99



Morale, Welfare & Recreation  
**MWR**  
 Board of Directors (BOD)

**Membership**

**Board of Directors**

**Executive Committee**

**Finance Committee**

MILDEP ASA(FM) [Chair]  
 CoS, FORSCOM  
 CoS, USAREUR  
 CoS, USFK  
 ACSIM

Advised by LTG(R) Carney  
 Assisted by SAFM

**Investment Subcommittee**

**Audit Committee**

CDR, MDW [Co-Chair]  
 PDASA(FM) [Co-Chair]

Advised by USA Audit Agency  
 Assisted by Internal Review Office

**Strategic Planning committee**

CoS AMC [Chair]  
 CoS, TRADOC  
 CoS, USARPAC  
 Retiree Representative  
 TJAG  
 Dir, Facilities & Housing  
 SMA  
 AAFES

**Construction Review Board**

**Strategic Planning Working Group**

MACOM Four-Star Commanders

FORSCOM [Chair]  
 TRADOC  
 USFK  
 AMC  
 USAREUR  
 & USARPAC Commander

Executive Secretary:  
 DCSPER  
 Asst Executive Secretary  
 CG, CFSC

DCSPER [Chair]  
 CoS, USFK  
 CoS, FORSCOM  
 CoS, TRADOC  
 CoS, USAREUR  
 CoS, AMC  
 CoS, USARPAC  
 CDR, MDW

Retiree Representatives  
 MILDEP ASA(FM)  
 ACSIM  
 SMA

Nonvoting: AAFES, FHD, TJAG  
 Executive Secretary: CG, CFSC

Serving America's Army





# What is MWR?

- ★ The Army Morale, Welfare and Recreation (MWR) Is A Quality of Life Program Linked Directly to The Readiness of Our Force - Which Includes Our Civilian Work Force
  - Provides A Variety of Community, Soldiers, and Family and Employee Support Activities and Services
  - Includes Social, Fitness, Recreational, Educational, and Other Service-oriented MWR Activities
  - Provides a Working and Living Environment That Attracts and Retains Quality People
  - Nonappropriated Funds (NAF) Generated From MWR Activities Are Returned to Soldiers, Their Families, and Employees Through Services and Capital Improvements



# Funding Support for MWR Activities

- ★ Category A Activities - Essential to Sustaining Installation Mission
  - Authorized 85% APF Support
  - NAF Expenses Are Limited to Areas Where APF Is Prohibited By Law
- ★ Category B - Basic Community Support
  - Provides Physiological and Psychological Need of Service Members and Families
  - Provides Community Infrastructure Otherwise Lacking On a Military Installation
- ★ Category C - Revenue Generating Activities
  - Activities In This Group Have The Business Capability of Generating Enough Income to Cover Their Operating Expenses and Make Necessary NIBD



# DOD/DA Classifications of MWR Programs by Categories

## Morale, Welfare and Recreation (MWR) Categories:

### Category A

Intramural

Physical Fitness Ctrs

Libraries

Recreation Centers

Parks & Picnic Areas

Gymnasiums

(85% APF Funded)

APF = Appropriated Funds

NAF = Nonappropriated Funds

### Category B

Arts/Crafts

Auto Hobby Shop

Child Dev Svcs

Outdoor Recreation

Youth Activities

Bowling <12 Lanes

(Mix of APF & NAF)

Determined Locally

### Category C

Clubs

Bowling >12 Lanes

Marina w/Berthing

Golf Courses

Guest Houses

Post Restaurant

(100% NAF)



# Management System

- ★ **Board of Directors (BOD)**
- ★ **Assistant Chief of Staff for Installation Management**
- ★ **Community and Family Support Center (CFSC)**
- ★ **Major Army Commands (MACOMs)**
- ★ **Major Subordinate Commands (MSCs)**
- ★ **Installation**



# AMC One Fund

- ★ **Commanding General Approved Feb 96**
- ★ **Consolidates All IMWRF at AMC Headquarters**
- ★ **Saves Command \$10M Over 5 Years**
- ★ **Allows Better Use of Cash to Meet Army Financial Standards for Cash and Debt**
- ★ **Installations Still Develop and Execute Budgets in Accordance with BOD Approved Standards (concern over CPMC spending)**
- ★ **Procurement Also Centralized**



# AMC One Fund

- ★ **A Single Financial Resource that Manages NAF Cash Flow from Installation Operations (Golf, Child Care, Food & Beverage and Pay All Expenses; I.E., Salaries, Assessments, etc.)**
- ★ **One Balance Sheet Showing Combined Assets and Liabilities**
- ★ **Redistributes NAF in Excess of Army NAF Standards**
  - ➔ **Approved by AMC Chief of Staff Annually**



## **AMC Executive Oversight Committee for NAF Cash Assets and CPMC**

- ★ Provides Policies and Procedures for NAF Cash Assets and Capital Purchase/Minor Construction (CPMC)**
  - Chief of Staff Chairs Executive Oversight Committee**
  - Committee Meets Quarterly by Videoteleconference**



# What Stays the Same?

- ★ **Installations retain daily operational control**
  - make deposits, manage activities, implement policies, prepares purchase requests
  
- ★ **Installation activity managers prepare budgets**
- ★ **AMC Approval/Disapproval of NAF Budgets**
- ★ **Central Accounting Office does accounting**
- ★ **Central Accounting Office provides balance sheets**
  - AAFES Pay Telephone profits cross-leveled at AMC
- ★ **AMC Quarterly Financial Reports**



# What Changes

- ★ **MSC financial advisory responsibility eliminated**
- ★ **Consolidated purchase processes maximized**
  - **Government Impact Card Credit**
  - **Blanket Purchase Request/Order**
  - **Army Prime Vendor**
  - **Air Force NAF contracting office**
- ★ **Installation NAF Balance Sheets (net worth are rolled up into AMC NAF Balance Sheet**
- ★ **AMC excess NAF cash is reduced: 2.79:1 becomes 2.56:1**
- ★ **Centralized NAF resource management**
  - **can fund minor/major construction**



# MWR Fiduciary Management Principles and Components

- ★ **The BOD Requires MWR Managers to Attain Specific Financial Objectives**
  - **2% Assessment of Total Revenue Paid to Department of the Army (DA) Central Fund**
  - **7% Profit for Local Reinvestment in Capital Purchase**
  - **Designated Profit Requirements in Selected Activities**
    - 15% Golf
    - 15% Bowling
    - 7% Food

**AMC**  
**IMWRF (1)**  
**A/O: 2nd QTR YTD FY 99**

**MWR Standards Assessment**  
**(\$Thousands)**

**\*\* Locally Adjusted Numbers**

**NIBD**      **Budget Variance**

Assessment    **>= 0**        **<=10%**

Key:            **NA**          **> 10% <= 15%**

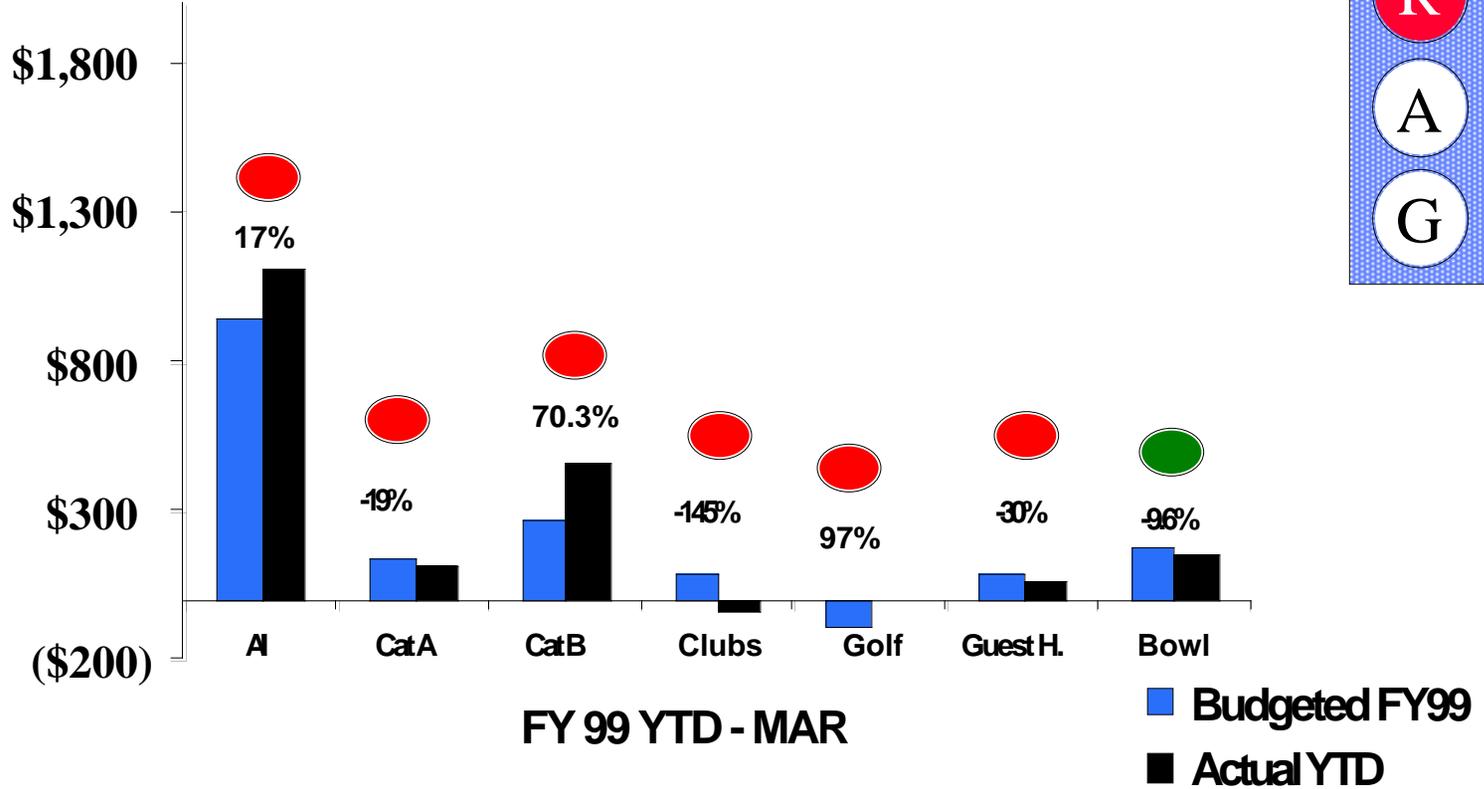
**< 0**          **> 15%**

Rated MWR Function	Standard		Budgeted	Actual		ASSESSMENT	REMARKS
	NIBD	Budget Var	Amount	NIBD & %	Budget Var		
Field NAFI's Roll-up	>= 8%	+/- 10/15%	\$953.039 5.2%	\$1,114.614 6.04%	17.0%	 A R ^	NIBD % Used USA Adjusted Revenue
CAT A APF Shortfall	To Be Determined		-	(\$83.714)	-	Effective FY 00	
CAT B NAF*	>= 0	+/- 10/15%	\$270.055	\$459.928	70.3%	G  R ^	* Excludes CDS's Assessed Below
Child Development Services (CDS)	>= 0	+/- 10/15%	\$116.488	\$218.595	87.7%	G  R ^	
Clubs (All)	>= 0	+/- 10/15%	\$90.445	(\$36.667)	Profit To Deficit	R  R v	
Guest Houses	>= 0	+/- 10/15%	\$94.147	\$65.902	-30.0%	G  R ^	
Golf	>= 0	+/- 10/15%	(\$88.262) -5.1%	(\$2.532) -0.1%	97.1%	R  R ^	15% NIBD STD FY 00
Bowling > 12 Lanes	>= 0	+/- 10/15%	\$176.416 28.3%	\$159.547 26.3%	-9.6%	G  G	15% NIBD STD FY 00
Food Operations (All)	>= 6%		\$578.924 12.9%	\$458.682 9.4%	-20.8%	G 	
CPMC Limitation/ Execution	NTE NIBD/ >= 70/50%		100%		37.0%	G 	Budgeted CPMC \$ 2,503.091 K CPMC Limit \$ 1,114.614 K Executed CPMC \$ 926.065 K
Solvency (Cash/Debt)	>= 1:1 & <= 2:1			2.53 :1		A 	
MIS Fielding/Utilization	>= 90/75%			Fielding 92.7%	Utilization 44.5%	G  R	
Recreation Delivery System	>= 90/75%			Implementation 23.0%		R 	Full Implementation FY 01

# AMC

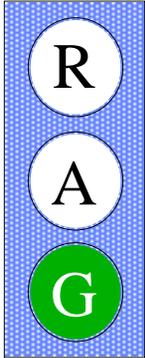
## Metric R12 - Net Income Before Depreciation (NIBD) Budget Variance

\$ Thousands

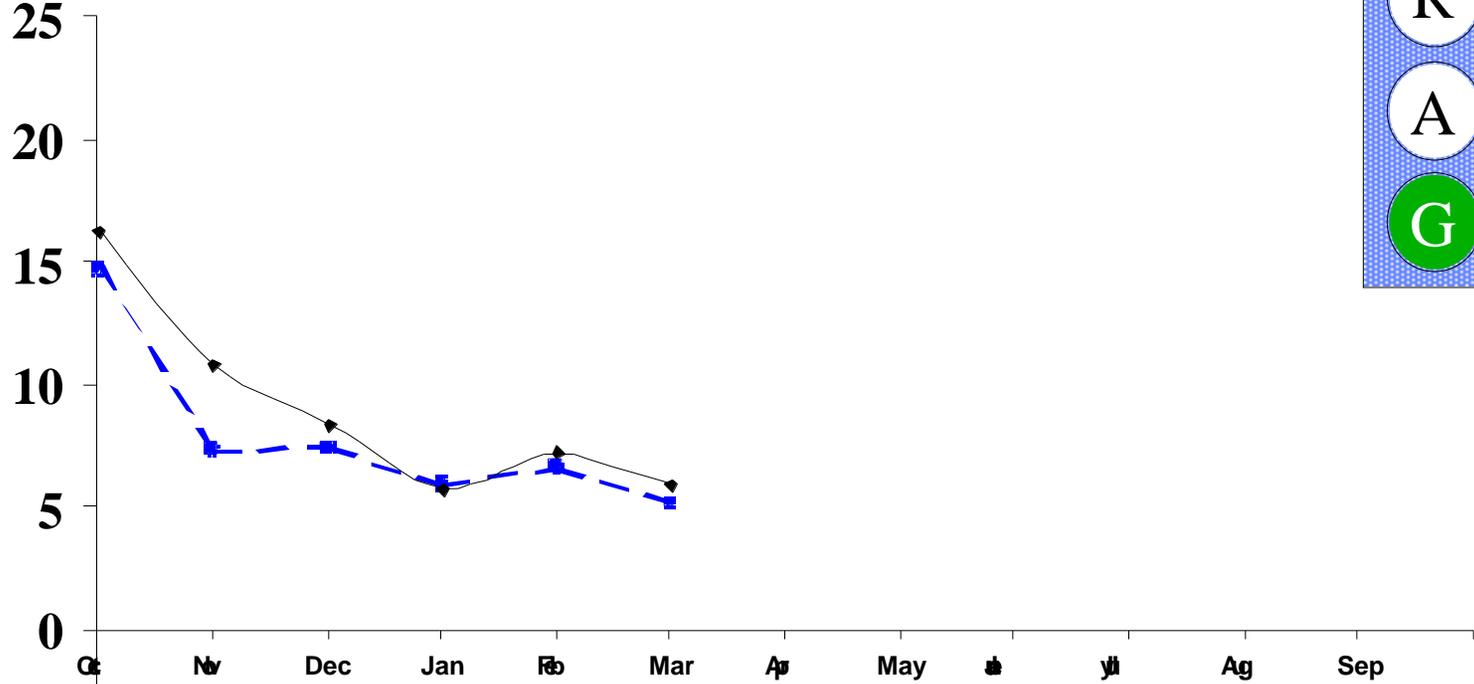


# AMC

## Metric R13 - Morale, Welfare, and Recreation (MWR) Performance



Percent



**FY99 by Month**

(cumulative)

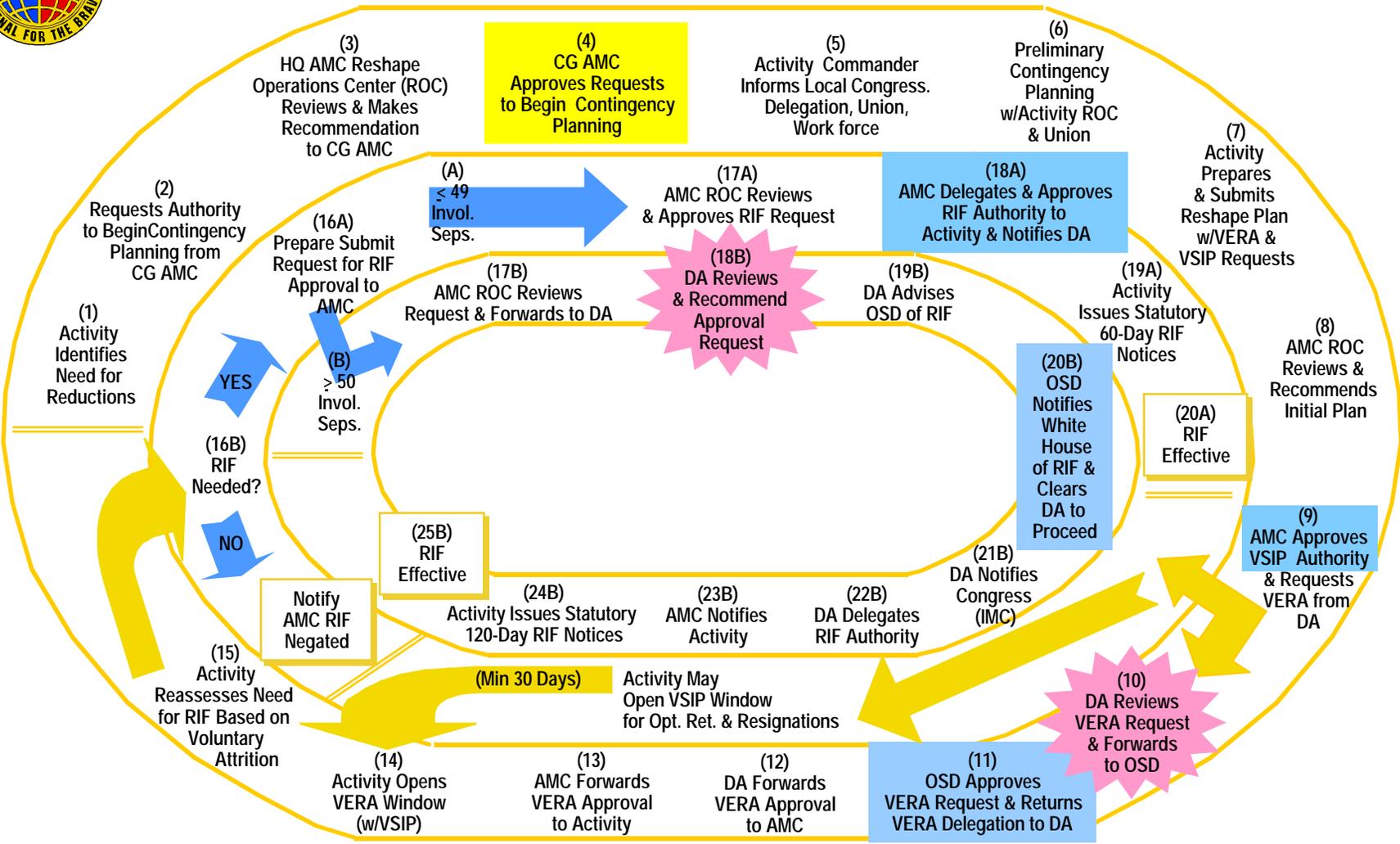
—■— BUDGETED FY99  
—◆— ACTUAL

Data as of: 31 Mar 99

Date prepared: 12 May 99



# Reshape Process



= AMC Final Approval Points
  = HQDA Review & Departmental Approval
  = OSD Review & Approval