**POLICY GUIDANCE FOR UNIFORM FUNDING & MANAGEMENT (UFM) PRACTICE FOR MORALE, WELFARE AND RECREATION (MWR) NONAPPROPRIATED FUND INSTRUMENTALITIES FOR THE PURPOSE OF PURCHASING FIXED ASSETS AND MINOR CONSTRUCTION**

1. During past years, N-94 has limited the equipment purchases for authorized Cat A and B program elements through the UFM. As of 15 November 02, N-94 has set the authorized funding level to $25,000.00 per item. However, please be advised that labor/benefits and supplies should first be executed through UFM, since labor/benefits particularly, is the most defendable and traceable.

2. N-94 policy guidance for local MWR departments purchasing equipment through the UFM practice is authorized up $25,000.00 for each item purchased. UFM is not authorized to be used for the purchase of vehicles. Purchasing of vehicles with OM&N dollars is prohibited by law. Vehicle funding is managed by NAVFAC with OPN funds, NAVFAC P-300.

3. UFM APF fixed assets over $2,500.00 will initially be recorded as a UFM asset and then expensed through AIMS cost element 688089. At the point of payment for qualifying expenses, make an additional entry to offset to the contra AIMS cost element 756000.

4. If a construction warrant is held by the local MWR department, minor construction policy is authorized up to $10,000 per project. Construction accomplished and equipment purchased through the NAF procurement policy should be recorded to cost element 688089, with the contra expense account recorded to 756000. This policy is a conservative one from the normal DOD $50K level and will be reviewed at the end of each year.

5. N-94 points of contact is Tim Pritchard, DSN: 882-6598 COMM: 901-874-6598 E-main timothy.r.pritchard.naf@us.navy.mil.