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## SUPPORT SERVICES JOB AID

### NAF Financial Management Prepare NAF Budget Projections

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#### DO THIS TASK WHEN

- You receive the annual budget guidance memo from the FFR Director, site manager or Region.
- You are directed to develop a plan of action and milestones (POA&M) to meet specific goals. (e.g., downsizing, mid-year adjustment, significant change in scope, significant new project, etc.)
- You are planning the annual activities/events calendar for your Program.

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#### REFERENCES

- DODI 7000.14-R, Department of Defense Financial Management Regulations.
  - CNICINST 1710.3 (series), Operation of Morale, Welfare, and Recreation MWR Programs.
  - DODI 5500.7 (series), Standards of Conduct Joint Ethics Regulation.
  - Current FY budget call letter from your Region or CNIC N9.
  - Most recent AIMS Planning (Budgeting) Guide (available from N948).
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**SUPPLIES/  
RESOURCES**

- Local budget records.
  - Current financial statements.
  - Previous fiscal year end financial statements.
  - Copy of current fiscal year's approved budget and the working papers used during its preparation.
  - Budget call memo from your FFR Director, site manager or Region.
  - Uniform Funding Management (UFM) Memorandum of Understanding (MOA) and other relevant MOAs, if any.
  - Computer access to the AIMS (Accounting and Information Management System) planning module.
  - Your Program's Goals and Objectives and Long-Term Program Plan.
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**THIS TASK  
IS DONE  
CORRECTLY  
WHEN**

- Budget projections are submitted within the time frame specified by the FFR Director, site manager or Region.
  - Budget is aligned with financial standards and goals for your Program and for the overall Department/ Region.
  - A budget narrative, or narrative input/details containing Program description and justifications are prepared/ provided as required.
  - A realistic and workable financial plan for the next fiscal year is produced.
  - Budget projections meet Program standards and guidelines specified by higher authority.
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**NOTES**

This task requires access to the AIMS planning module (i.e., access to SAP software and authorization to use the planning module). You will also need basic business math skills and knowledge. Fundamental computer skills and knowledge of spreadsheets will ease the workload and reduce the time needed to complete this task.

Budgeting and planning go hand in hand and should be performed in conjunction with each other. The budget is the translation of your plans into financial terms. The budget should incorporate every element of the operation, to include anticipated changes in programming, hours of operation, fees, prices, and charges, and inflationary trends.

In SAP AIMS, the term planning is used in place of budgeting.

This planning/budgeting process will help you with major budget cutbacks. You will be better able to examine your program to identify major cutbacks in an area (vertical cuts) or minor cuts across many areas (horizontal cuts). Planning will also help you to justify funding or determine how to move funds within your own areas of your Program for major must-do projects/implementations, etc.

When completed, the budget will serve as a report card and will be used to analyze your actual results. The budget will set benchmarks to allow you to gauge your Program's operational effectiveness against a set of pre-established guidelines.

The actual process of entering the budget into the AIMS system is not shown in this task. The final budget submissions are reviewed via the AIMS system.

- An example of a local budget guidance memo is provided in this task.

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### NOTES (cont.)

- Each year's preparation and submission processes are detailed in a CNIC N9 and Region budget call and any local budget guidance.
- If your FFR Department has not provided you with the authorization to use the AIMS planning module, you will need to obtain that authorization several weeks prior to budget deadlines.

This task outlines the steps you need to prepare **projections** for the budget input process.

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### AIMS CHART OF ACCOUNTS

You will be working with the AIMS Chart of Accounts. Be sure you have the most current Chart of Accounts from the Business Office.

AIMS formats all General Ledger (GL) account numbers using six digits: **XXXXXX**

The first three digits are codes representing the core AIMS account number.

**Example: 301-Resale Revenue, 151-Resale Inventory, etc.**

The last three digits are usually 000 or XXX.

For instance, an AIMS account coded 501000 translates to Program Revenue (501000).

In many cases, an additional three digits are added to give greater specificity to the purpose of the account.

**Example: 601000 – Salary & Wages  
601001 – Payroll Overtime Expense**

All UFM accounts end in 089, with the exception of payroll related accounts (601000 - 634000 range).

**Example: 701089 – Supplies UFM**

All Navy Flying Club accounts end in 999.

**Example: 646999 – Aircraft Maintenance Overhaul**

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**ABOUT THIS**

The following steps will take you through the GL accounts that

**TASK**

have a definite effect on your budget.

- This task will NOT guide you through the actual input of the figures into AIMS.
- The provided checklists include factors you should consider while preparing your budget.

We recommend you complete the *AIMS Planning* and/or *Managers' Reporting* training before you attempt to perform this task. Your local Business Office, CNIC N948, or your supervisor can provide you with on-the-job training for these procedures.

FFR NAF and APF budgets are shaped by the needs of the Region/Command as defined by the Region, Commanding Officer, the FFR Director/Site manager, FFR Program and Support Managers, and most importantly, the customer.

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## PROCEDURE

**Step 1** Upon receipt of your Region/FFR Department's budget call guidance from your immediate supervisor, review the budget guidance information to determine the following. (See example at end of this task.)

- ☐ Financial goals for your Program.
- ☐ Percentage increase for inflation and personnel costs.
- ☐ Milestones for submission of input/other important due dates.
- ☐ Budget peculiarities such as what departmental expenses will be carried in certain accounts.
- ☐ Members of the FFR Department/Region staff who can assist you in budget preparation:
  - Personnel & Financial Managers.
  - Procurement & Payroll staff.
  - Maintenance Supervisor.
  - Your assistant/other staff.
- ☐ List of AIMS GL accounts to use and a description of each. (Remember to use the current chart of accounts.)
- ☐ How input will be organized.
- ☐ Prescribed format, forms and justification requirements for submission of data.
- ☐ Ship/squadron/unit deployments, decreases/increases in base loading.
- ☐ Regionalization or right-sizing guidance or directions.
- ☐ Expenses allocated to your Program for staff who work in multiple Programs.
- ☐ Total work hours and holidays for each month. (Consider impact of holidays regarding pay shifts, differentials and premiums).
- ☐ Dates for local Command and Navy-wide special events and celebrations.
- ☐ Public works estimates for utilities, maintenance and repair, etc.
- ☐ Advice on authorized deviations from locally established goals/standards, (e.g., an allowed percentage, or dollar amount, etc.)
- ☐ A requirement to submit some or all of the budget narrative to your immediate supervisor.
- ☐ Your part of the budget projection process also includes:
  - Capital expenditure needs.
  - APF requirements.

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**Step 2** Gather the following documents and information for use in budget preparation.

- ☐ Most recent AIMS Planning (Budgeting) Module training manual (available from N948).
- ☐ Any FFR/MWR instruction or SOP concerning budgets or planning.
- ☐ Your Program's financial statements for each month of the current fiscal year and prior fiscal year. (See Task, Analyze Financial Statements. These statements are available through AIMS. If you are unfamiliar with the AIMS system or financial statements, get a briefing from your FFR Business Office.)
- ☐ Program Goals and Objectives
- ☐ Current AIMS Chart of GL Accounts.
- ☐ Your current year's budget working papers and documentation for any revisions you have made.
- ☐ Inflation factor for the budget year, which should be in budget call guidance memo.
- ☐ Prior year's and YTD Program evaluations and histories.
- ☐ Depreciation expense data.
- ☐ Labor reports/data.
- ☐ Scheduled and actual hours worked, with variance analyzed.
- ☐ Capital expenditure requirements.
- ☐ Training requirements for you and your staff.
- ☐ Needs list. (e.g., yours, your customer's, Command's, etc.)
- ☐ Your Program's activities/events calendar for the budget year.
- ☐ Your copy of the FFR master calendar for the budget year.
- ☐ List of holidays, number of workdays for each month of the budget year. (This may be in the budget call guidance memo).
- ☐ Wage increases planned for your staff including local area wage survey increases, pay information and local (foreign) national changes. (Except for normal step increases, this information is usually in budget call guidance memo.)
- ☐ Base loading and deployment levels for the year.
- ☐ Region or right-sizing impact information.
- ☐ User/usage data for your Program.

<p><b>NOTE:</b> The Integrated Process Team (IPT) developed standard methods of counting customers who use and participate in FFR Programs, facilities, activities and events. Check with your CNIC Program Manager and/or your Program Standards.</p>
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- ☐ On-base and public/private sector competition data.
- ☐ Program goals and objectives.
- ☐ Uniform Funding Management (UFM) practice and other relevant MOAs.
- ☐ Information regarding Other Income sources for your Program. (e.g., NEX Amusement Machines, Commercial Sponsorship, etc.).



**Step 3** Review the following financial information (as well as items identified in Step 2) as resources to identify trends and to track the current budget execution during the budget preparation process.

- ☐ Current year's APF and NAF budget input.
- ☐ Current fiscal year Program's Cost Center Group and Cost Center statements.
- ☐ General & Administrative Cost Center of the Cost Center Group Statement.
- ☐ Most recent Budget Variance Reports, (i.e., budget compared to actual). See Task 5.4, Analyze Financial Statements.
- ☐ Your Program's historical patterns of operations including seasonal fluctuations, customer usage, etc., that impact your operation.

<p><b>NOTE:</b> See the AIMS Planning (Budgeting) training manual before you proceed with the remaining steps. If you do NOT have a copy, see your local/regional Business Office or contact N948</p>
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**Step 4** As you prepare your budget input, review the ideas provided in the enclosure at the end of this task titled, Solicit/Obtain Creative Funding & In-Kind Services to identify sources of additional funding & in-kind services.

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**Step 5** Log on to AIMS and navigate to the planning module.

**NOTE:** All logon/navigation procedures can be found in the AIMS training manuals, including the Planning (Budgeting) and Managers' Training.

KP06. ☐ Follow AIMS procedures and select the Transaction Code (T-code)

☐ Use the table below to choose the appropriate Plan (budget) profile.

IF:	AND:	THEN USE PROFILE:
Your Program mostly projects costs, not revenue	Does NOT change substantially from year to year	Z-101 for the prior year budget and the current budget (the one you are inputting). See example 1.
You are doing a budget for the first time		Z-102 for current year budget only → See example 2.
Your Program is revenue-driven		Z-103 for the budget (the one you are inputting) and the current year actuals for Oct through Mar (Periods 1-6) and the prior year actuals, Apr through Sep (Periods 7-12) to obtain an annual amount. See example 3. →
Your Program Changes substantially from year to year  - OR -  It has had major changes in the current year.  - OR -  You are asked to do a zero-based budget (i.e., you must justify every single figure in the budget)		
		Z-104 for current year actuals for Oct through Mar (Periods 1-6) and current year Plan, Apr through Sep (Periods 7-12) to obtain an annual amount. See example 4.

Your Program must have been in existence for two fiscal years to fully utilize the capabilities of the Z101, Z103 and Z104 profiles.

**NOTE:** Depending on your Region, the "current budget" may have last year's actual figures filled in so you do not see an empty screen. If your Region did not request this feature, the figures will be blank. Either way, you need to enter your budget projections based on your own plan.

**EXAMPLE 1 – Planning Profile Z-101 displays the prior year's Plan (budget) and GL accounts for you to enter the current year's Plan (budget).**

SAP

Plan data Edit Goto Extras Settings System Help

Change Cost Element/Activity Input Planning: Overview screen

Line items Change values

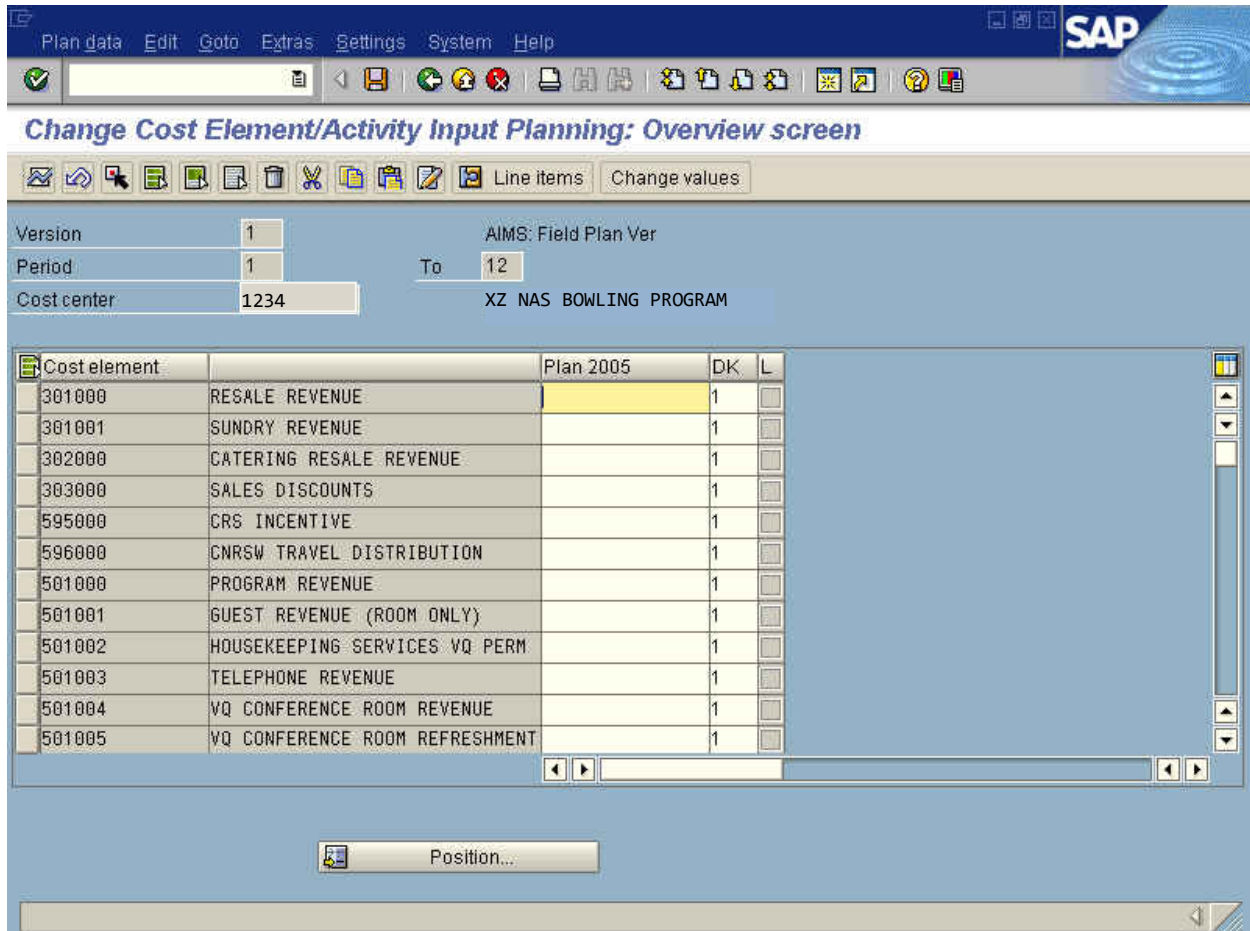
Version 1 AIMS: Field Plan Ver  
 Period 1 To 12  
 Cost center 1234 XZ NAS BOWLING PROGRAM

Cost element		Plan 2005	DK	Plan 2004	DK	Difference	L
501000	PROGRAM REVENUE		2	505,817	0	505,817	
601000	SALARIES & WAGES		2	154,156	1	154,156	
601001	PAYROLL OVERTIME EXPENSE		2	0	2	0	
603000	BONUS / INCENTIVE		2	1,000	0	1,000	
621000	EMPLOYER'S SHARE OF FICA		2	14,488	0	14,488	
622000	ANNUAL LEAVE EXPENSE		2	8,124	1	8,124	
623000	SICK LEAVE EXPENSE		2	0	2	0	
701000	SUPPLIES		2	58,328	1	58,328	
683000	REPAIRS & MAINTENANCE-F.F.&E...		2	12,000	1	12,000	
685000	REPAIRS & MAINTENANCE-BLDG & F		2	0	2	0	
783000	CONTRACTUAL EXPENSE		2	14,280	1	14,280	
781000	ADVERTISING AND PROMOTION		2	0	2	0	

Position...

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**EXAMPLE 2 – Planning Profile Z-102 displays the GL accounts for you to enter the current year's Plan (budget).**



The screenshot shows the SAP Planning Profile Z-102 Overview screen. The title bar includes 'Plan data', 'Edit', 'Goto', 'Extras', 'Settings', 'System', and 'Help'. The main title is 'Change Cost Element/Activity Input Planning: Overview screen'. Below the title bar, there are several icons and buttons, including 'Line items' and 'Change values'. The screen displays the following information:

Version: 1  
Period: 1  
Cost center: 1234  
AIMS: Field Plan Ver  
To: 12  
XZ NAS BOWLING PROGRAM

Cost element	Plan 2005	DK	L
301000 RESALE REVENUE		1	
301001 SUNDRY REVENUE		1	
302000 CATERING RESALE REVENUE		1	
303000 SALES DISCOUNTS		1	
595000 CRS INCENTIVE		1	
596000 CNRSW TRAVEL DISTRIBUTION		1	
501000 PROGRAM REVENUE		1	
501001 GUEST REVENUE (ROOM ONLY)		1	
501002 HOUSEKEEPING SERVICES VQ PERM		1	
501003 TELEPHONE REVENUE		1	
501004 VQ CONFERENCE ROOM REVENUE		1	
501005 VQ CONFERENCE ROOM REFRESHMENT		1	

At the bottom of the screen, there is a 'Position...' button and a status bar.

**EXAMPLE 3 – Planning Profile Z-103 displays the current year’s actual for Oct through Mar (Periods 1-6) and the actuals from the prior fiscal year, Apr through Sep (Periods 7-12). It has a “totals” column to show an annual amount.**

Plan data Edit Goto Extras Settings System Help

**Change Cost Element/Activity Input Planning: Overview screen**

Line items Change values

Version 1 AIMS: Field Plan Ver  
Cost center 1234 XZ NAS BOWLING PROGRAM

Cost element	Plan 2005	DK	Actual 1-6 2004	Actual 7-12 2003	Total Actuals	Char
301000 RESALE REVENUE		1	0	0	0	
501000 PROGRAM REVENUE	437,261	2	269,748	190,527	460,275	
601000 SALARIES & WAGES	153,041	2	79,799	80,747	160,545	
601001 PAYROLL OVERTIME EXPENSE		1	722	2,205	2,927	
603000 BONUS / INCENTIVE	2,000	2	0	0	0	
606000 COMP TIME EXPENSE		1	2	102	104	
621000 EMPLOYER'S SHARE OF FICA	11,709	2	6,991	6,760	13,752	
622000 ANNUAL LEAVE EXPENSE	9,240	2	4,511	4,731	9,242	
623000 SICK LEAVE EXPENSE		1	5,135	2,451	7,586	
686000 MINOR PROPERTY		1	1,092	0	1,092	
701000 SUPPLIES	27,180	2	7,977	19,181	27,158	
681000 REPAIRS & MAINTENANCE-VEHICLES		1	0	16	16	
683000 REPAIRS & MAINTENANCE-F.F.&E.	10,800	2	1,865	8,574	10,438	

Position...

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**EXAMPLE 4 – Planning Profile Z-104 displays the current year's actual for Oct through Mar (Periods 1-6) and the plan from the prior fiscal year, Apr through Sep (Periods 7-12). It has a “totals” column to show an annual amount.**

Plan data Edit Goto Extras Settings System Help

Change Cost Element/Activity Input Planning: Overview screen

Cost center 5966 MER PERSONEL G/A

Cost element	Plan 2008	DK	Actual 1-6 2007	Plan 7-12 2007 ...	Total Act/Plan	Change	Change %	L
601000 SALARIES & WAGES		1	2,313	15,000	17,313	17,313-	100-	
603000 BONUS/INCENTIVE		1	0	0	0	0	0	
621000 EMPLOYER'S SHARE OF FICA		1	203	1,104	1,307	1,307-	100-	
622000 ANNUAL LEAVE EXPENSE		1	317	1,428	1,745	1,745-	100-	
623000 SICK LEAVE EXPENSE		1	0	450	450	450-	100-	
629000 HEALTH/DISABILITY INSURANCE		1	1,123	2,400	3,523	3,523-	100-	
630000 EMPLOYERS LIFE INS COST		1	8	60	68	68-	100-	
632000 OTHER BENEFIT COST		1	0	984	984	984-	100-	
632005 401K EMPLOYER MATCH		1	95	0	95	95-	100-	
632006 401K ADMIN FEES		1	1	0	1	1-	100-	
632007 POST RETIREMENT BENEFIT COSTS		1	228	0	228	228-	100-	
633000 WORKERS COMPENSATION		1	59	282	341	341-	100-	
634000 UNEMPLOYMENT COMPENSATION		1	27	126	153	153-	100-	
*Cost elem Total	0		4,375	21,834	26,208	26,208-		
		1						
		1						
		1						
		1						
		1						
		1						
		1						

Position...

**Step 6** Enter your projection/input.

- ☐ Decide whether to do annualized planning, month-by-month planning, or both. This is a choice that depends on your own needs/style – there is no right or wrong.
- ☐ Decide how to distribute your annual budget. You will use the distribution keys (DK) to distribute or allocate your budget across the twelve fiscal periods (months) using various factors. The DK Keys (0 manual distribution; 2 distribution as before; 3 distribution by percentage, etc.) apply mathematical functions/formulas to your entries based on historical data, current projections, trends, etc.  
  
Reevaluation factors are percentages or numerical values that can be applied to budget figures to raise or lower them a specific amount.
- ☐ When entering data into a revenue account (3xxxxx, 5xxxxx or 8xxxxx series) always remember to include a minus sign (-). This is so SAP will recognize these as Credit entries.
- ☐ Enter expense accounts (4xxxxx, 6xxxxx, 7xxxxx, or 9xxxxx series) without the minus sign. Only enter a minus sign for the UFM offset accounts (747xxx – 759xxx).
- ☐ Use the “Text” key to add comments/explanations for your projections.

**Step 7** Develop your monthly budget input for Resale and/or Program Revenue.

<p><b>NOTE:</b> We recommend using profile Z-103 for completing this Step.</p>
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- ☐ Determine how you are doing versus plan for the current fiscal year to date for this account. Use the budgeted amounts for months where actual data doesn't exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Determine the adjustments to the current FY actual amount and enter into the current Plan/budget you are inputting.
- ☐ Check your work by looking at the “Difference” column to verify your calculations.

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### Step 7 (cont.)

#### RESALE AND/OR PROGRAM REVENUE CHECKLIST

- ☐ Any planned changes to meet IPT standards?
- ☐ Any Region-wide program initiatives?
- ☐ Any changes to your competition, inside and outside, of the gate?? Are you losing/gaining customers?
- ☐ Any changes based on your customers' desires and/or recommendations that have been identified through:
  - Focus groups?
  - Comment cards?
  - Individual interviews?
  - Brief surveys?
  - A review of FFR or MWR-wide and locally collected data?
  - Customer experience analysis?
- ☐ Any new marketing/merchandising initiatives?
- ☐ Any new and identifiable innovations/enhancements to programs that make them:
  - Different (adds a new twist or "wow" factor)?
  - Better (more interesting, informative, developmental, educational, and FUN!)?
  - Have more perceived value?
  - Involve more staff (both numbers and commitments)?
  - A theme activity?
  - A special event?
  - Have more or different customer involvement?
- ☐ Any new or recently changed promotional and/or advertising efforts?
- ☐ Any improvements to the appearance of the facility?
- ☐ Any initiatives to improve service detractors?
- ☐ Any additional sources of income that are applicable to your Program?  
(Look at these as ways to increase resale/program revenue.)
  - Amusement Machines.
  - Concessions.
  - Sponsorships.
  - Dues.
  - Lessons.
  - Branded (Franchise-like) concepts.
  - Broker for value-added services relevant to the Program, event (e.g., flower vendor, caricaturist, photographer, entertainment),
  - Co-location and/or bundling (partnering) with other FFR or MWR businesses/Programs and the Navy Exchange. (e.g., kiosks, ITT sales booths, etc.).
  - Commissions.
  - Service charges/Cover charges.
  - Memberships.
  - Pro Shop items.
  - Resale items/outlet.

*Continued on next page.*



**Step 7  
(cont.)**

**RESALE AND/OR PROGRAM REVENUE CHECKLIST**

- ☐ Any additions, expansions, changes, or deletions to the days/hours of operation?
- ☐ Any planned changes to fees, prices, and charges? (See Evaluate Fees, Prices, and Charges).
- ☐ Any new products/merchandise/services being offered?
- ☐ Any recognizable increases in the customers' frequency of use or introducing guests to the Program because of:
  - Automation?
  - Product/services sales and promotions training?
  - Sales methods and techniques training?
  - Product mixes?
  - Product displays?
  - Pricing?
  - Marketing?
- ☐ Any planned or existing customer service initiatives to improve:
  - Exceptional customer care?
  - Quality of products that customers want?
  - Quality of services that customers want?
  - Professional staff?
  - Attractive and well maintained facilities?
  - Attractive, clean, up-to-date, well maintained equipment?
  - User friendly systems?
  - Effective signage?
  - Value as perceived by the customer, NOT by management?
  - Effective and visible customer feedback systems?
- ☐ Any anticipated differences in the number of authorized users?

**Step 8**      Develop your monthly budget input for COGS.

<p><b>NOTE:</b>    We recommend using profile Z-103 for completing this Step.</p>
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- ☐ Determine how you are doing thus far for the current fiscal year for this account. Use the budgeted amounts for months where actual data doesn't exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Determine the adjustments to the current FY actual amount and enter into the current Plan/budget you are inputting.
- ☐ Check your work by looking at the “Difference” column to verify your calculations.

**Step 8  
(cont.)**

**COST OF GOODS SOLD CHECKLIST**

- ☐ Any anticipated inflation impact that would increase costs? ☐ Changing vendors and/or products to reduce costs?
- ☐ Any differences in standard operating procedures (SOPs) for all elements affecting critical daily operations. (Internal controls, record keeping, inventory control, separation of functions, money handling, customer complaints, etc.)?
- Easily accessible by entire staff?
  - Reviewed and updated at least annually?
  - Developed with staff input?
  - Periodically reviewed by staff and documented?
- ☐ Do your purchasing/bidding processes provide for:
- Solicitation of price quotes from at least three sources for purchases over \$5,000?
  - Assurance that purchases below \$5,000 are equivalent to fair market value?
  - Taking advantage of AFNAFPO, NEX, government sources, contract and prime vendor processes?
  - Taking advantage of the buying power in collective purchasing with your Region/like-business/Program area colleagues? (e.g., golf, bowling, child care, youth, recreation equipment, etc.)
- ☐ Is a procedure in place that guarantees that you know your total cost before calculating and setting fees, prices and charges? Your total costs include:
- Actual cost of item, ingredients, material, product, etc.
  - Freight charges.
  - Packaging/shipping and handling charges.
  - Actual yield from raw product.
  - Production methods that cause loss/waste of product.  
(DO NOT include labor costs when calculating costs.)
  - Impact of markdown sales, etc.
- ☐ Any changes to your selling prices?
- ☐ Any new or different point-of-sale equipment?
- ☐ Any differences in the sizes/variety/quality of the products sold?

*Continued on next page.*

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### Step 8 (cont.)

#### COST OF GOODS SOLD CHECKLIST

- ☐ Any mandated changes to the mark-up/cost of goods percentages?
- ☐ Any differences or innovations in the methods to minimize waste by controlling/ensuring:
  - Receiving methods and policies?
  - Storage areas?
  - Preparation methods?
  - Use of portion control tools/equipment and SOPs?
  - Production levels through forecasting methods? (e.g., usage/historical customer data, etc.)
  - Access to supplies, equipment, materials, and products?
  - First products in - first products out (FIFO)?
- ☐ Ways to minimized loss by preventing/controlling/maintaining:
  - Staff and customer theft?
  - Accidental/intentional damage?
  - Non-promotional giveaways?
  - Shoplifting?
  - Supplies, equipment, products, and materials through regularly scheduled and spot inventories?
  - Sensitive/high cost/desired supplies, equipment, products, and materials through daily spot inventories or physical control(s)?
  - Undocumented movement of products within and between departments?
  - An effective "Returns" policy from customers/patrons and to vendors?
- ☐ Any changes to the controls of cash and near cash through:
  - Separation of function?
  - Using a point-of-sale (POS) system?
  - Proper use of cash registers?
  - Control and use of cash bags?
  - Surprise/unannounced cash counts?
  - Using sales receipts for high cost items?
  - Controls on ticket sales and staff purchases?  
(See Task 5.6, Control Receipts and Cash.)
  - Ensuring correct use of Daily Activity Records (DARs)?
  - Receipted returns?
  - Use of over-/under-ring slips?
  - Check cashing policy (including bad debts/checks)?
  - Credit/bank card policy?
  - Collection of accounts receivable?
  - Use of surveillance equipment?
  - Use of mystery shoppers?

**NOTE:** Actual COGS should remain stable (+/- 2% of goals and/or standards) from month-to-month.

### Step 9      Develop your monthly budget input for labor costs.

**NOTE:** We recommend using the decision table in Step 5 to determine the best

profile for completing this Step.

- ☐ Determine how you are doing thus far for the current fiscal year for this account. Use the budgeted amounts for months where actual data doesn't exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Determine the adjustments to the current FY actual amount and enter into the current Plan/budget you are inputting.
- ☐ Check your work by looking at the “Difference” column to verify your calculations.

**NOTE:** If you use KRONOS® (the automated time and attendance system), you can use its labor reports for current labor data for any pay period or cost center.

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(cont.)****LABOR COST CHECKLIST**

- ☐ Any adjustments in your staff position descriptions?
- ☐ Are changes to your staffing levels/guidelines required to handle the workload as specified by:
  - Regulation/law?
  - IPT/Industry standards?
  - Guidance from Region/FFR Headquarters program managers?
  - Historical perspectives? (What staff mix works and what doesn't?)
  - Downsizing/RIF's or business-based actions?
  - Early/voluntary retirements, voluntary separations, hiring freezes, etc.?
- ☐ Any anticipated changes to the scope or the days/hours of operation?
- ☐ Have adjustments been made to minimize labor costs by:
  - Using minimum staff numbers relative to the scope of work?
  - Balancing number of staff to ensure customer needs are met without "burning out" staff members?
  - Adjusting staff numbers relative to work fluctuations (e.g., seasonal staff/demands, daily/hourly demands, payday peaks)?
  - Minimizing overtime?
  - Scheduling to avoid/minimize payment of premiums/differentials?
  - Cross-training staff?
  - Ensuring all staff members are fully trained and qualified?
  - Using automation and state-of-the-art equipment and tools?
  - Developing competent, problem-solving, positive, enthusiastic, empowered supervisors?
  - Developing continuous process improvement methods to evaluate worth of products, services and the simplification of procedures?
  - Eliminating unnecessary staff/supervisory layers?
  - Eliminating unnecessary duplication of work?
- ☐ Any differences in billet composition or categories:
  - APF billets?
  - Conversions (APF  $\longleftrightarrow$  NAF)?
  - Interns?
  - Volunteers?
  - Active duty personnel?
  - Flexible staff members?
  - Part-time staff members?
  - Full-time staff members?
  - Uniform Funding Management (UFM) practice?
- ☐ Changes to the type or amount of service offered?
- ☐ Any pay/COLA changes scheduled?
- ☐ New customer service initiatives, labor saving equipment, or cross-training efforts planned?

**Step 10**    Develop your monthly budget input for all other expense accounts other than labor costs.

**NOTE:**    We recommend using the decision table in Step 5 to determine the best profile for completing this Step.

- ☐ Determine how you are doing thus far for the current fiscal year for each account. Use the budgeted amounts for months where actual data doesn't exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Determine the adjustments to the current FY actual amount and enter into the current Plan/budget you are inputting.
- ☐ Check your work by looking at the “Difference” column to verify your calculations.

**SUPPORT SERVICES JOB AID****Step 10  
(cont.)****ALL OTHER EXPENSES CHECKLIST**

- ☐ Any changes to supplies used?
  - Use only the type of supplies needed for the job, shift, period, etc.
  - Use proper mixtures/amounts.
  - Use correct quantity of the supplies for the job, shift, period, etc.
- ☐ Any differences in the ways you control to prevent waste, loss, theft, etc.?
- ☐ Any new/different fees for new computer equipment/Internet services/software (due to NMCI or other initiatives)?
- ☐ Any delays or accelerations of planned actions (e.g., training, new program/initiative, etc.)?
- ☐ Any delays or accelerations in procurement (e.g., new equipment purchase)?
- ☐ Any anticipated changes to utility rates, if applicable?
- ☐ Has any additional use of APF been authorized?
- ☐ Any changes in maintenance and repair schedules and procedures for facilities and equipment?
- ☐ Any new, eliminated, or different advertising and promotional efforts?
- ☐ Any adjustments to the awards and prizes requirements?
- ☐ Any planned changes to entertainment and special events?
- ☐ Any changes to training/conference/professional development/tuition assistance participation or schedules?
- ☐ Will an inflation factor impact your supply costs?
- ☐ Have any contracted services costs been increased that would affect your budget?
- ☐ Changes to (or new) contracts/competitive sources?
- ☐ Depreciation data from the FFR Business Office?



**Step 11** After entering all your budget projections, compare them with the standards and/or supervisor's requirements/expectations/standards to determine if they meet the requirements.

- ☐ Is the cost element total within the budget target you were given?
- ☐ Does the net profit (cost element total) meet your standard (e.g. 5% net profit)? [Remember, a profit will show a minus sign while in the AIMS Planning module.]
- ☐ If your goal is "break-even", does the cost element total zero?
- ☐ Do your projections meet or exceed these requirements?

IF:	THEN:
Yes	Continue with Step 13.
No	<p>1. Identify where you can make adjustments:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Explore new marketing efforts to improve revenue.</li> <li><input type="checkbox"/> Go back to Step 4 to explore ideas to solicit/obtain creative funding or in-kind services to alleviate some current financial problems.</li> <li><input type="checkbox"/> Investigate additional Revenue (300, 500 &amp; 800 series) sources (see Step 7) and Solicit Additional Funds or In-Kind Services (see the enclosure at the end of this task).</li> <li><input type="checkbox"/> Investigate expense reductions. Consider eliminating an activity, event, product or service rather than small cuts across all areas.</li> </ul> <p>2. Make appropriate adjustments to your projections.</p> <p>3. Check the recalculated work to ensure standards are met.</p> <p>4. Go back to the first step above in this job aid box and repeat until all the options have been investigated, explored and evaluated.</p> <p><b>NOTE:</b> If you are still unable to meet standards, Regional guidance, or your immediate supervisor's requirements/expectations, stated in the budget call memo or verbally, go to Step 12.</p>

**SUPPORT SERVICES JOB AID**

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**Step 12** After making appropriate adjustments; compare your adjusted projections and estimates with the standards and/or supervisor's requirements and expectations to determine if these adjusted projections meet the requirements.

☐ Do these adjusted projections **now** meet or exceed the requirements?

IF REQUIREMENTS	THEN:
Are met	Continue with Step 13.
Are <b>NOT</b> met	<ol style="list-style-type: none"><li>1. Meet with your immediate supervisor and or the FFR Director to negotiate new standards and/or requirements/ expectations.</li><li>2. Investigate possibilities of partnering, competitive-sourcing, and joint efforts with community groups, other military programs/commands/facilities, etc., as an alternative way to do business.<ul style="list-style-type: none"><li>• Consider the guiding principles to define the future of the Program:<ul style="list-style-type: none"><li>- No tenant should do what a host Command can do more cost effectively.</li><li>- No host should do what a regional complex can do more cost effectively.</li><li>- No regional complex should do what the surrounding community can do more cost effectively.</li><li>- Duplication of services by host Commands and tenants should be kept to the minimum.</li></ul></li></ul></li><li>3. Continue with Step 13.</li></ol>

- Step 13** Prepare a Capital Expenditure worksheet or memo that is a prioritized list of all major needs, including equipment, supplies, and fixed assets requiring initial purchase, replacement, or maintenance (minimum dollar amount to be determined locally).

For example:

- Replace carpeting.
- Replace counter tops.
- Repair cabinets/shelves.
- Upgrade furniture.
- Upgrade sound, light, and video equipment.
- Paint/re-tile floors.
- Change signage.
- Purchase an ice machine.

**NOTE:**

While it might not be part of your local budget projection process to prepare a Capital Expenditure memo or worksheet, we recommend that you prepare one for your own planning purposes. Take your directions from the budget call, local policy, your immediate supervisor, and/or the FFR Director.

For planning purposes, budget at least an amount equal to the actual yearly depreciation.

Identify yearly depreciation amounts using:

- Financial statements.
- Information from your Region/FFR Director/immediate supervisor.

## **SUPPORT SERVICES JOB AID**

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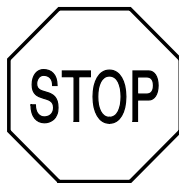
**Step 14** Prepare your portion of the budget narrative if required by local policy.

- ☐ Follow guidance from your Region, local budget call, local procedures, your immediate supervisor and/or the FFR Director.
- ☐ See sample Program-level budget narrative input at the end of this task.

You may be required to provide some or all of the following information:

- A brief description of your local program and facility.
- An explanation of any major program changes.
- An explanation of any unique circumstances the program must operate under which impacts your financial plan or need for subsidy.
- An explanation of any problems or initiatives you have taken to reduce expenses and/or improve programs and their cost effectiveness.
- Information as to how your program supports the CNIC goals and guiding principles.

**Step 15** Ensure you review, print and file a copy of the final budget submission, Version 0.



***Congratulations! You've completed this task.***

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## SAMPLE FY-XX NAF BUDGET GUIDANCE



7110  
MWR Ser XX/XXX  
16 MAY XX

From: MWR Regional Director, Mid-Atlantic  
To: All FFR Site Managers and Support Staff

Subj: FY-XX NAF BUDGET GUIDANCE

Ref: (a) Region FY-XX Budget Guidance Letter  
(b) CNIC ltr of 5 May XX  
(c) CNIC ltr 1700.14 N948 of 1 May XX

Encl: (1) MWR Three Year Plan  
(2) Base-wide Operations and Environmental Plan  
(3) Eligible Customer Worksheet  
(4) OPTEMPS/Base Loading Projections  
(5) FY-XX YTD Budget vs. Actuals by Month  
(6) MWR Customer Survey Results - FY-XX  
(7) Needs Assessment Results - FY-XX  
(8) Public Works Utility Cost Estimates  
(9) Projected APF Support Allocations - FY-XX  
(10) List of Accounts  
(11) Self-Sufficiency Targets  
(12) Official Holidays, Command, and Special Events  
(13) NAF Operational and Capital Expenditure Budget Forms  
(14) Support Services Job Aid Task

1. Per references (a), (b) and (c), we are required to have our completed budget to CNIC by 20 July 20XX. I have scheduled a preliminary budget-planning meeting for 25 May at 0900 in the conference room. The purpose of the meeting is to review the budget package and discuss individual concerns and unique circumstances that impact your operation.

2. Each program manager is required to submit an individual budget. Enclosures 1-14 are provided to assist you in your budget planning. All program budget submissions will be carefully scrutinized for program and service changes/additions that are a result of, and support, the Regional Plan, Base-wide Operations/Environmental Plan, and MWR Customer Surveys.

## SAMPLE FY-XX NAF BUDGET GUIDANCE

**Subj: FY-XX NAF BUDGET GUIDANCE**

3. The Regional Business Office will forward a staff breakdown by program. The package will include COLA increases, changes in benefit costs, FICA expense, and the scheduled annual pay and step increases. It will also include pay period/per annum hours and other differences vice the current FY. Remember to budget for shift differentials and holiday and premium pay.

4. A requirement this year is for each program manager to budget for one professional development training course and three structured local staff training sessions. Additionally, each program manager must budget for an incentive/awards program based on quantifiable improvements in customer satisfaction data, budget (revenue/costs), and/or usage data.

5. Based on our 8% increase (YTD) in revenues between this year and last in the Category C activities, let's target a 7% increase for next year. Please submit budget assumptions, marketing plan and schedule of events to support increases. Net operating profits minimums for Category C activities have been established as follows:

Clubs	8%
Snack Bars	22%
Golf	18%
Bowling	17%
Marina	22%

6. Because of significant cuts in APF, specifically the reductions for your operation detailed in Enclosure (9), overall revenues in Category A & B activities will be expected to increase a minimum of 6%. All operations will further reduce overall NAF expenses by 10%.

7. The final budget submission must be forwarded electronically to the Regional Business Office using SAP AIMS. If you encounter any problems with AIMS, please let us know. You will find that by using the AIMS planning module, you will complete your Program's budget in less time and without the math errors you've previously experienced.

**SAMPLE FY-XX NAF BUDGET GUIDANCE**

**Subj:      FY-XX NAF BUDGET GUIDANCE**

8. Plan to complete your draft Budget submission by 15 June. I will schedule individual meetings with each Program Manager and Site Manager to review budgets and make adjustments. Site Managers, the Regional Business Office staff, including accounting and procurement technicians, and the maintenance supervisor are available to assist you. Final budgets are due 5 July.

9. Please submit realistic budgets with solid assumptions. You will be required to explain variances in your AIMS submission at the budget review meetings.

**Marcia M. Leadbedder**

Marcia M. Leadbedder  
MWR Regional Director

CC: CO  
REGCOM  
CNIC N9

**SAMPLE MWR PROGRAM-LEVEL BUDGET NARRATIVE****Page 1 of 2****LIBERTY PROGRAM****DESCRIPTION OF PROGRAM**

The Liberty Program and Center operates within the Community Recreation Program and offers a full range of recreational activities and events to the primary target audience of active duty personnel 18-25 years of age. In our recent self-assessment conducted in March, the Liberty Program scored at a high COL-3 overall against the published Program Standards and Metrics.

Our efforts this fiscal year will be to maintain the levels in the Personnel and Facilities categories and improve in Programming and Equipment.

Our Liberty Center includes the following:

- Computer area with features that include:
  - Internet capability at all stations
  - B&W and color printer capability
  - Hookups for personal laptops
- Control Counter
- TV/Movie lounge
- Video Game Stations
- Table game area includes:
  - 3 pool tables
  - 1 foosball table
  - 1 air hockey table
  - 1 ping pong table
- Outdoor deck area with barbecue grill and picnic table seating for 30

Activities, Events, Product and Services offered:

- Snack Bar
- Skill/Knowledge Classes
- Theme activities – such as Elvis Night, Super Bowl Party, Kentucky Derby Day, monthly birthday parties, holiday celebrations, movie nights
- Special Events
- Entertainment Events – such as hypnotists, bands, pool trick shot demo, open mic comedy night



**SAMPLE MWR PROGRAM-LEVEL BUDGET NARRATIVE****Page 2 of 2****LIBERTY PROGRAM****MAJOR PROGRAM CHANGES**

Right-sizing within the region has necessitated greater cooperation in scheduling activities and events to avoid competition and to better utilize resources such as personnel, facilities, vehicles and equipment. The Liberty hours of operation will likely remain the same this FY. One benefit of our longer hours is customer accessibility to MWR services when other Programs and facilities are already closed. All staff within the Community Recreation Program are cross-trained and can better serve the customer and produce greater participation and revenues for Liberty, Outdoor Recreation, ITT and all other Community Recreation programs, activities and events..

The combined efforts of Liberty and ITT to increase participation in trips and tours will lessen the duplication and the cancellation of trips which do not always sell out. Savings in vehicle operation and maintenance expenses should be as much as 30% over prior year.

Core equipment for the Liberty Program scheduled for purchase this FY include the following:

- 3 Computer stations – The wait time has been excessive. The new stations will lessen the wait time providing better service to customers.
- PA/Music System – A hard-wired sound system will enhance activities and make staff announcements much easier.

**UNIQUE CIRCUMSTANCES**

The level of service is dependent on continued APF funding through the UFM practice. Offsetting reduced APF support with an increase in fees and charges is not a realistic alternative. All fees are routinely evaluated and increases are made whenever possible and necessary. Across-the-board increases will negatively impact participation of the young active duty sailor. The small snack bar operation achieves the profit required by regulation. All trips and tours fees are closely examined to minimize the subsidy required. As mentioned earlier, the efforts to coordinate with ITT on selected trips will increase their profitability.

Signage, traffic control, the customer wait area and the position of the control counter will be evaluated to make Liberty and all Community Recreation services operate as smoothly as possible. Staff will be appropriately trained to handle any situation that arises.

The Liberty Center itself remains an alcohol and tobacco-free facility. Professional and attractive signage conveys this message throughout the facility.

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***Ideas to  
Solicit/  
Obtain  
Creative  
Funding  
&  
In-Kind  
Services***



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These are but a few of the many opportunities you have to Solicit/Obtain Creative Funding & In-Kind Services:

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Work with colleagues and staff to brainstorm your business and programming processes for opportunities to improve.

- Examine new program ideas. Concession operations, Club catering of parties, cooking schools, fashion shows, etc.
- Develop good marketing plans.
- Use innovative publicity and promotions.
- Participate in local community-wide special events.
- Coordinate with civilian recreation funds.
- Work with various fleet units.



Apply for United Way/Combined Federal Campaign Funds.



Seek opportunities to use NAVFAC Fish and Wildlife funds.



Investigate sources of grant monies for before and after school programs.

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## **SUPPORT SERVICES JOB AID**

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Develop plans or projects that coordinate and combine the use of APF and NAF funds.

- An example might be where Public Works builds an APF funded bicycle path justified by Navy fitness mandates and FFR needs while NAF funds provide signage, benches, etc.
- 



Request community support funds from Housing Division/Public Works.

- Billets funded by Public Works.
  - Use of community centers and/or buildings.
  - Use of playgrounds within base housing areas.
- 



Pursue use of NGIS funds to improve FFR opportunities in the billeting spaces.

- Exercise equipment.
  - T.V. rooms.
  - Library/Computer Labs.
- 



Investigate local schools for space for before/after school activities.

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Obtain loans, grants or services from other on-station NAF or private organizations.

- One NAFI loans money or services to another NAFI within a Region.
- NEX provides a sound system to a club in return for NEX advertising on club premises.
- Single-sailor, entertainment, etc., grants from CNIC FFR headquarters.
- Consider wife's clubs, CPO organizations, retired officers' organizations, enlisted groups and veterans' organizations, etc., as possible sources.



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Obtain funds, supplies or services from Interior Department conservation funds.

- Warden salaries.
- Pond management through station conservation office.
- Reforestation.



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Request NAVOSH funding.

- Eye Wash.
  - Asbestos removal.
  - Hearing conservation kits.
  - Dust collection systems.
-

## **SUPPORT SERVICES JOB AID**

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Contract out programs/services to receive a percentage of sales.

- Food services.
  - Recreational vehicle (campers) programs.
  - Resale outlets.
  - Auto painting and repair services.
  - PPV concessionaire.
  - Sports camps and instructional classes.
- 



Work with NEX General Manager to help pay cost of operations that benefit customers/patrons using the services of both the exchange and FFR.

- Special Child Care Center operating hours during NEX sales and seasonal promotions.
  - "Suds and Duds" laundries.
- 



Seek out research and development assistance from local colleges and universities.

- Plans for recreation facilities.
  - Interns assisting in marketing research.
  - Graduate students class project - Actual design plans, construction, repair or renovation of recreational facilities.
-





Rent out your facilities for special programs/meetings.

- Computer or electronic shows.
  - Fishing/sports/trading card shows.
  - Supply/Medical/Safety departments' training events rentals.
  - Investigate the use of APF for on-station, Command function room charges held in NAF spaces.
  - Solicit rental charges from other organizations using your facilities such as SATO, Exchange, etc.
- 



Request assistance from technical education schools in developing plans for:

- Landscaping.
  - Engineering.
  - Interior design.
- 



Explore the use of FFR spaces for technical school training when the training is also open to FFR customers.

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Request customer survey data and demographics from state and local parks and recreation departments, convention and visitors bureaus, and the state tourism commission.

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## **SUPPORT SERVICES JOB AID**

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Seek out assistance from state and local governments for planning guidance.

- Drainage.
  - Environmental impact factors.
  - Recreation and park lands.
  - Tourism.
- 



Seek opportunities to use local schools and businesses to present shows, demonstrations, and entertainment.

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Seek assistance under state and federal work programs.

- Welfare-to-Work.
  - Prisoners.
  - Disabled.
  - Disadvantaged.
  - State subsidized unemployment programs.
  - Community service programs.
  - Veterans employment and training.
  - Youth conservation (Job Corps).
-



Coordinate authorized commercial sponsorship with your sponsorship point of contact (POC).

- Golf events.
  - Bowling center events.
  - Prizes for high participation/visibility team sports.
  - Tournaments/walks/runs.
  - Special events.
  - Entertainment/concerts.
  - Hotel/motel associations for free weekends, etc.
  - Golf course tee markers.
  - Score cards/boards/sheets.
  - Advertising on outfield fences and fencing.
  - FFR marquee advertising.
  - Staff uniforms for seasonal programs.
  - Bowling.
  - Monday night football, etc.
  - Swim meets or other sporting events
  - Unofficial travel..., (e.g., contractors providing free trips, etc.)
  - Menu/Menu Board allowances for using a company's products.
-

## **SUPPORT SERVICES JOB AID**

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Cooperate with the community for teen, youth, and children's programs.

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Request assistance from the USDA food programs to provide available food to Child Development Centers.

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Request SEABEE support for self-help construction programs.

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Request assistance from USO and Armed Forces Entertainment for shows and programs.

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Solicit volunteers for FFR Programs/services.

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Request services through college and university work study intern programs.

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Collaborate with other DoD MWR agencies. Contact CNIC N94 for phone numbers, e-mail, or websites for Army CFSC, Air Force Services, Marine Corps Community Services and Coast Guard MWR.

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