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IN REPLY REFER TO:

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MRF
6 Jun 12

From: Commandant of the Marine Corps

Subj: FINANCE AND ACCOUNTING STANDARDIZATION GUIDE (FASG)
001/12 UNIT AND FAMILY READINESS FUNDS (U&FRF)

Ref: (a) MCO 1754.9
(b) MCO P1700.27B
(c) MARADMIN 166/11
(d) DOD FMR 7000.14-R

Encl: (1) U&FRF Debit Card Internal Control Procedures
(2) Expenditure Request/Reimbursement for Unit & Family
Readiness Funds

1. Unit and Family Readiness Funds (U&FRF). Unit and Family Readiness Funds (U&FRF), incorporating the former picnic and party funds, are intended to support unit Morale, Welfare and Recreation (MWR) needs including recreational, social and family readiness activities. Marine Corps Community Services (MCCS) has established a single nonappropriated fund (NAF) allocation of \$25 per Marine per year, for active units home-based at Marine Corps installations. The installation MCCS will provide this support from locally generated NAF, independently of and not contingent upon any appropriated (APF) funding. To preclude conflicts with APF policies, U&FRF will not be authorized APF support or Uniform Funding & Management (UFM) reimbursement.

2. First Principles.

a. Unit commanders have the authority to decide how to spend U&FRF for their units' personal and family readiness needs, consistent with headquarters policy. Commanders should have unhindered access to U&FRF and the installation MCCS should facilitate unhindered access.

b. Unit commanders have the responsibility for budgeting and managing U&FRF while complying with basic internal control procedures required by headquarters policy. Also, commanders must ensure that sufficient documentation is provided to the installation MCCS Accounting Office (AO) so that reporting may be made to headquarters by expense purpose for each unit.

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c. Execution of U&FRF will be regulated by appropriate guidance, including references (a) through (c) and enclosure (1). Unit commanders will act as the sole authority for the spending of U&FRF.

d. Accountability for the proper use of U&FRF will be monitored through routine Marine Corps Nonappropriated Funds Audit Service (MCNAFAS) audits.

e. U&FRF are to be used in the year provided rather than accumulated from year to year. Unused U&FRF will rollover each quarter until the end of the NAF fiscal year. At the end of the NAF fiscal year, excess funds will be withdrawn unless they are designated for a specific purpose. Immaterial amounts in MCCS designated U&FRF bank accounts may carry forward to prevent the account from reaching a zero balance.

3. Commander's access to U&FRF.

a. Unit commanders or their designees will work directly with local installation MCCS AOs to access their U&FRF.

b. At installations where access to U&FRF is working well and the unit commander is satisfied with current processes, those processes may be continued.

c. MR has authorized the use of a locally managed debit card through a local banking facility. At all installations, the installation MCCS AO will provide commanders with a debit card option to facilitate access to funds.

d. The unit commander will retain and be responsible for the debit card(s) and may delegate the use of the debit cards to the Family Readiness Officer (FRO), other unit designee, or a deployed designee.

e. The unit commander has the fiduciary responsibility for U&FRF, whether accessed by debit card or other processes; and whether spent by the commander or by a designee.

f. The installation MCCS will not further restrict the unit commander's access to their U&FRF.

4. Allocation of U&FRF. The installation MCCS will allocate funds quarterly based on command reported onboard unit strength

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from the Marine Corps Total Force System (MCTFS), including Sailors or other service members assigned to the unit and in support of the Marines. The MCTFS strength report will be used on the first working day of each quarter of the NAF fiscal year. U&FRF for Fleet Assistance Program (FAP) personnel is provided by the installation MCCS to the unit that reports FAPs on their quarterly unit strength report. U&FRF will be provided for Individual Augmentees (IA) included in a command's strength report. U&FRF for permanent detachments is also provided by the local installation MCCS AO. Funds allocated to one unit may be transferred to another unit with mutual consent of the unit commanders.

a. Unit Deployment Program (UDP) Units and Deployed Units are to be supported by their parent installation. Unit commanders will determine the amount of U&FRF that the parent installation will provide forward. Unit commanders will coordinate deployed funds through the parent installation MCCS AO.

(1) The parent installation MCCS AO may provide a check to the unit, which will be deposited with and administered by the forward MCCS, if available.

(2) The parent installation MCCS AO may execute an electronic transfer through the NAF accounting system to the forward MCCS.

(3) Unit commanders will designate in writing a responsible officer to manage the funds at the deployed location and make a full reconciliation of receipts and cash remaining within 5 days of returning from deployment.

(4) Unit commanders may authorize a deployed designee to deploy with a debit card. The authorization will be in writing and require a full reconciliation of receipts within 5 days of returning from deployment.

b. Detachments, other than permanent detachments, are to be supported by their parent installation. Unit commanders will determine the amount of U&FRF that the parent installation will provide forward. Unit commanders will coordinate deployed funds through the installation MCCS AO.

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(1) The parent installation MCCS AO may provide a check to the unit, which will be deposited with and administered by the forward MCCS, if available.

(2) The parent installation MCCS AO may execute an electronic transfer through the NAF Financial Management System (FMS) to the forward MCCS.

(3) Unit commanders will designate in writing a responsible officer to manage the funds at the detached location and make a full reconciliation of receipts and cash remaining within 5 days of returning from detachment.

(4) Unit commanders may authorize a detached designee to detach with a debit card. The authorization will be in writing and require a full reconciliation of receipts within 5 days of returning from detachment.

5. U&FRF Expenditures. It is intended that the U&FRF be used to support unit MWR needs for recreational, social and family readiness activities, including volunteer expenses. Unit Commanders should budget for APF operating expenses necessary to provide personal and family readiness needs not covered by the NAF U&FRF.

a. Authorized U&FRF Expenditures. The unit commander or his/her designee, assigned in writing, will act as the sole authority for the spending of U&FRF. Clarification of policy regarding expenditures may be directed to the installation MCCS Director. The following categories of expenditures are authorized for U&FRF:

(1) Light refreshments for Unit, Personal and Family Readiness Program meetings, events, and/or training sessions;

(2) Volunteer awards and recognition;

(3) Family Readiness volunteer reimbursements, including reimbursement for child care, mileage, phone charges, tolls, parking, and other preapproved miscellaneous expenses;

(4) Direct and overhead expenses including expendable items; supplies, travel, communications, and FRO business cards;

(5) Minor equipment with a unit price less than \$2,500. Minor equipment purchased with U&FRF is not subject to NAF

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property control regulations. The unit commander is responsible for developing proper internal control procedures to account for this equipment.

(6) MWR support of unit recreational, social and family readiness activities; and

(7) Unit parties and picnics.

b. Funding Methods.

(1) U&FRF Debit Cards. U&FRF may be accessed via debit cards provided from a local MCCS bank account. The procedure to utilize debit cards is as follows:

(a) Installation MCCS AO will negotiate with a local financial institution to provide debit cards from a separate MCCS account designated for U&FRF funds.

(b) The unit commander must submit a written request to installation MCCS AO to issue a debit card for their unit's account. The installation MCCS AO will issue cards as requested by the unit commander.

(c) The installation MCCS AO will transfer quarterly U&FRF allocations into the account designated for U&FRF debit cards as requested by the unit commander.

(d) The unit commander has fiduciary responsibility for U&FRF and will retain and be responsible for all U&FRF debit cards.

(e) The unit commander may delegate the use of the debit card to a FRO, other unit designee, or a deployed designee.

(f) The unit commander or designee will track spending to ensure quarterly spending is less than or equal to available quarterly balance.

(g) The installation MCCS AO will provide the commander a report at the beginning of each quarter showing U&FRF allocation and carry-forward balance.

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(h) The installation MCCS AO will assist the commander in accounting for U&FRF, and capture sufficient data to provide MR about U&FRF spending.

(i) The unit commander will maintain responsibility for reconciliation of U&FRF at the end of each quarter.

(j) The unit commander is subject to MCNAFAS audit and will ensure proper documentation of U&FRF transactions is retained in unit files for audit purposes.

(2) Advance and Reconciliation. The standard procedure for most U&FRF expenditures is as follows:

(a) The FRO will request an advance from the installation MCCS AO using enclosure (2).

(b) The installation MCCS AO will process a disbursement as requested. Disbursements may be made by electronic funds transfer (EFT), check, or petty cash.

(c) The FRO will make expenditures from funds advanced.

(d) The FRO will reconcile expenditures with the Unit and Family Readiness Funds Administrator (UFRFA) in the installation MCCS AO with receipts to document the expenditure and return of unused funds. Reconciliation must be made within 5 working days of expenditure.

(3) Reimbursement. As an alternative, the FRO may present receipts and enclosure (2) to be reimbursed after the fact for authorized expenditures. Reimbursements should be submitted within 5 working days of expenditure.

(a) U&FRF reimbursements totaling \$500 or less may be paid with petty cash in accordance with reference (d).

(b) U&FRF reimbursements totaling more than \$500 will be paid by check or EFT.

(4) Internal Transfer. The FRO may negotiate a party contract with an MCCS activity on the installation and request the installation MCCS AO to cover the expense with an internal accounting entry. The FRO will forward the completed party

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contract to the installation MCCS accounting office along with the request for transfer via email.

(5) Volunteers. Family Readiness volunteer reimbursements, including reimbursement for child care, mileage, phone charges, tolls, and parking will be authorized for volunteers who have been preapproved by the FRO. The FRO will:

(a) Prepare enclosure (2) for the volunteer and submit to the installation MCCS AO within 5 working days of receipt.

(b) The installation MCCS AO will execute an EFT or other disbursement within 5 working days to reimburse the volunteer.

(6) Other Local Methods. U&FRF can be utilized via other locally developed methods agreed upon between the installation MCCS AO and the unit commander.

c. Authorized Vendors. Procurement of goods and services may be made from installation activities or the private sector. Since the source of the NAF U&FRF is from MCCS patrons, FROs are encouraged to procure goods and services from installation activities, when possible. In accordance with reference (b), any goods and services procured from MCCS direct operations using U&FRF funds will receive a 10% discount from the activity coded to the activity's cost center. These discounts need to be tracked in the NAF Financial Management System (FMS) and will be coded as follows:

	Cost Center	GLAC	Subaccount	Department
Debit	XXXX-XX	6741	000	FRS

6. Limitations and Prohibitions of U&FRF.

a. Child Care. U&FRF may be used for child care for volunteer reimbursement and to support child care for Unit, Personal and Family Readiness Program events.

b. Contracting. The FRO has no MCCS contracting authority. Normal MCCS NAF procurement policies must be followed when purchasing direct and overhead expense items that could result in contracting for ongoing service agreements. The unit must work through the NAF contracting process to procure items from

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non-governmental entities for services such as clowns, face painting, etc.

c. Prohibited NAF U&FRF expenditures:

- (1) FRO pay and compensation;
- (2) Conducting activities other than those of MWR activities;
- (3) Purchase of military proficiency prizes and awards for performance of regularly assigned duties;
- (4) Payment of meal charges for government personnel on APF per diem or enlisted members in APF dining facilities;
- (5) Donations to any relief, charitable or commercial organization or individual;
- (6) Purchase of food supplies or equipment for APF dining facilities except for holiday and special occasions when all members of the command may purchase food;
- (7) Support of projects involving improvement, rehabilitation, or construction of religious facilities;
- (8) Purchase, printing or engraving of holiday or personal greeting cards;
- (9) Construction, alteration, renovation, or furnishing of any facility not used primarily as part of the MCCS MWR activities;
- (10) Support of functions held to primarily accomplish public affairs objectives;
- (11) Purchase of incentive awards not related to operating MCCS MWR activities;
- (12) Protocol or command representation events where Official Representation Funds (ORF) are authorized, or commander's personal entertainment obligations, or retirement receptions;

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(13) Social affairs in honor of a particular individual or for the purchase of anything for a specific individual (e.g., going away parties);

(14) Lease of grounds, facilities, or re-locatable buildings without prior approval from HQMC;

(15) Services or articles related to MWR activities obtainable through expenditures of APF unless such articles or services are not obtainable in sufficient quantity or quality to meet the needs of the unit;

(16) Grants or loans to other NAFIs except as specifically authorized by HQMC;

(17) Purchase of capital equipment or fixed assets with a cost of \$2,500 or more and a useful life of more than 2 years and;

(18) Purchase of command award/memento coins.

7. Unit Supplementation of Family Readiness Volunteer Reimbursements. Reimbursements for child care, mileage, phone charges, tolls, parking, and other pre-approved miscellaneous expenses may also be provided from command APF (O&M funds), in accordance with applicable APF regulations. The Defense Travel System (DTS) or Wide Area Work Flow (WAWF) will be used in those cases where the command elects to use its command APF (O&M funds) for family readiness volunteer reimbursements. The FRO will work with the unit comptroller to establish eligible users and non-MCCS lines of accounting in DTS for volunteer reimbursements funded by the unit commander. The FRO will work with the unit comptroller to establish WAWF access. The installation MCCS AO should be available to coordinate as needed.

8. Procedures and Responsibilities. The following procedures and responsibilities are established to ensure that U&FRF are utilized for their intended purpose and in accordance with references (a) through (c).

a. Unit Commanders will act as the sole authority for the spending of U&FRF and maintain financial oversight in accordance with references (a) through (c) and enclosure (1). Unit commanders will work directly with the installation MCCS AO to access their U&FRF.

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b. FROs are the unit level point of contact and subject matter experts for U&FRF. FROs will utilize U&FRF with the concurrence of the unit commander to support the unit MWR and Family Readiness needs in accordance with references (a) through (c) and enclosure (1). FROs will:

(1) Ensure that U&FRF are expended with prudence so as to benefit the greatest number of personnel and that all expenditures are properly authorized, planned, and executed.

(2) Process requests for volunteer reimbursements within 5 working days. The FRO will validate and forward the reimbursement request to the installation MCCS AO.

c. MCCS Chief Financial Officer (CFO) is the financial administrator and will ensure the proper allocation and accounting of U&FRF. The CFO or his/her designee will:

(1) Review the reconciliations of U&FRF NAF subsidiary ledger to the general ledger on a monthly, quarterly, and annual basis.

(2) Ensure that U&FRF are properly allocated on a quarterly basis and appropriately accounted for.

(3) Ensure that Advances and Reimbursements are processed within 5 working days of receipt from the FRO.

(4) Ensure that data is captured in the accounting system regarding the type of expenditure made with U&FRF. The purpose indicated on enclosure (2) will be coded to departments within the accounting distribution.

d. Unit & Family Readiness Fund Administrator (U&FRFA). The U&FRFA will be designated by the installation MCCS CFO and will be the primary point of contact for unit commanders to access their U&FRF. The U&FRFA will maintain records on unit allocations and expenditures.

(1) Obtain quarterly manning data from MCTFS to process and maintain unit allocations. Data should be obtained on the first working day of each quarter of the NAF fiscal year (February, May, August, and November).

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(2) The U&FRFA will process disbursements that are properly authorized by the unit commander or their designee. Approved requests will be processed by within 5 working days of receipt.

(3) The U&FRFA will work with the FROs and volunteers to establish payees as vendors in the NAF FMS when EFT payments are desired. The proper form is maintained on the MCCS Intranet.

(4) The U&FRFA will properly account for U&FRF transactions and will maintain accurate records on unit allocations and expenditures, and fundraising proceeds.

9. Fundraising. Individual Marine units on DoD installations may hold fundraising events to augment their own unit funds subject to local regulations. They must first receive permission from the local MCCS Director and comply with the requirements of reference (b). Units may not conduct raffles as fundraising activities. All money raised should be turned into and controlled by the installation MCCS AO for the benefit of the unit. The installation MCCS CFO will establish the appropriate method for holding these funds, to allow the intended unit to benefit. Funds that are raised through an authorized fundraising event do not expire at the end of the fiscal year but are subject to the same authorizations and restrictions as U&FRF. The entry to deposit fundraising funds into the designated U&FRF account is:

	Cost Center	GLAC	Subaccount	Department
Debit	XXXX	111X	000	000
Credit	6065	2108	000	000

10. Donations. Contact the installation MCCS Director and ensure compliance with reference (b).

11. Commercial Sponsorship. Commercial sponsorship is the act of providing assistance, funding, goods, equipment (including fixed assets), or services to MCCS MWR program(s) event(s) by an individual, agency, association, company or corporation, or other entity (sponsor) for a specific (limited) period of time in return for public recognition or advertising promotions. Commercial sponsorship revenues and goods are considered to be NAF. Sponsorship shall not be solicited, or accepted outside of MCCS MWR activities. All commercial sponsorship solicitations

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must be done via the MCCS Commercial Sponsorship Coordinator in accordance with reference (b).

12. MCCS Coding in the NAF FMS.

a. U&FRF. U&FRF expenses recorded in the NAF FMS will be coded to:

	Cost Center	GLAC	Subaccount	Department
U&FRF	6065	6730	000	Various

b. The MCCS CFO and UFRFA will maintain offline records of allocations and expenditures by individual units.

13. This guidance is effective immediately and is applicable to installation MCCS Directors and CFOs.

14. This FASG supersedes FASG 003/09 dated 6 Mar 2009 and FASG 002/11 dated 10 Mar 2011.

15. If you have any questions on this matter, our points of contact are Tiffany Boyd (703) 432-0287 or DSN 378-0287 and Nancy Moorman (703) 784-3852 or DSN 278-3852.


DAVID F. SWANSON
By direction

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