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**Services**

**PROGRAMMING FOR NONAPPROPRIATED  
FUND FACILITY REQUIREMENTS**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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This instruction implements AFD 34-1, *Air Force Morale, Welfare, Recreation, and Services Programs*. It explains how to process requests for improving Services facilities.

**SUMMARY OF REVISIONS**

**This document is substantially revised and must be completely reviewed.**

This change to AFI 34-105 provides policy guidance and instructions concerning completion of NAF construction projects and close-out of project automatic reimbursement accounts as they relate to preparation of the AFBCIF Project Status Report (PSR) (RCS: HAF-SVQ(M) 9465). Paragraph **8.3** is added to define the beneficial occupancy date and identify actions required when a project reaches that point. Paragraph **8.4** is added to explain actions required to close a project automatic reimbursement account once all project invoices are paid. A bar (|) indicates revision from the previous edition.

**1. Air Force Services Strategic Capital Improvement Program (SCIP).** The SCIP is a single, coordinated program that spells out appropriated fund (APF) and nonappropriated fund (NAF) requirements for new or improved services facilities.

- 1.1. The SCIP ensures that the most urgent needs are addressed first and accelerates the construction process.
- 1.2. The SCIP spells out how to submit capital projects for Air Force NAF grants.
- 1.3. The following are the basic parameters of the SCIP:
  - 1.3.1. Do not use NAFs where APFs are authorized.
  - 1.3.2. Prioritize and fund projects based on need.

1.3.3. Base or MAJCOM fund what they can afford; normally small (below \$200,000) projects and equipment needs.

1.3.4. Use the Air Force base capital improvement fund (AFBCIF) to pay for major (\$200,000 and above) projects, emergencies, and projects that the base or MAJCOM cannot fund.

**2. Air Force Services Long-Range Capital Improvement Plan (LRCIP).** The LRCIP is the primary planning and budgeting document for capital improvements at base, MAJCOM, and Air Force level. The LRCIP combines APF and NAF capital improvements into a single package covering at least 5 fiscal years (FY).

**2.1. LRCIP.** Each base has an LRCIP.

**2.2. Composition of the LRCIP.** There are five sections:

2.2.1. Summary

2.2.2. Equipment items

2.2.3. Projects below \$200,000

2.2.4. Projects from \$200,000, but less than \$500,000

2.2.5. Projects \$500,000 and over

**2.3. LRCIP Responsibilities:**

2.3.1. HQ USAF/SV: Develops program standards and directs implementation of NAF construction policy. Advocates resource allocation of the annual Air Force-wide NAF construction program. Provides oversight through trend analysis and policy revisions.

2.3.2. AFSVA:

2.3.2.1. Provides MAJCOMs with annual submission instructions.

2.3.2.2. Reviews, validates, and consolidates MAJCOM inputs to the LRCIP.

2.3.2.3. Processes construction projects that need Air Force funds.

2.3.2.4. Analyzes proposed projects and evaluates internal needs' validation studies.

2.3.2.5. Determines the initial priority of projects based on internal needs' validation studies.

2.3.2.6. Carries out independent needs' validation studies when required.

2.3.2.7. Rates projects using a merit evaluation system.

2.3.2.8. Arranges for the NAF facility panel to review the proposed FY program and recommend which projects the AFBCIF should fund.

2.3.2.9. Submits the FY program to the Air Force MWR Advisory Board (AFMWRAB) and Air Force Chief of Staff (CSAF) for approval.

2.3.2.10. Coordinates on the United States Air Force Engineer's (HQ USAF/CE) report to Office of the Secretary of Defense (OSD) and Congress.

2.3.3. SAF/FM. Provides oversight of NAF facility requirements through membership on the facilities review panel and through the finance and audit committee of the Air Force MWR Advisory Board.

#### 2.3.4. MAJCOM/SV:

- 2.3.4.1. Tells the bases how and when to submit reports and proposals.
- 2.3.4.2. Reviews, consolidates, and evaluates the LRCIP proposals submitted by bases.
- 2.3.4.3. Verifies the accuracy of documents and internal needs' validation studies.
- 2.3.4.4. Coordinates with bases on required changes or revisions.
- 2.3.4.5. Determines what MAJCOM funds are available.
- 2.3.4.6. Assigns priorities to the projects submitted by bases.
- 2.3.4.7. Gets the MAJCOM/CC's approval for the MAJCOM LRCIP and authorization to use MAJCOM funds.
- 2.3.4.8. Sends the base LRCIP and MAJCOM/CC-approved priority list to HQ AFSVA/SVQF.

2.3.5. MAJCOM/FM provides oversight of NAF facility requirements through membership on the command NAF council.

2.3.6. The installation commander approves the base LRCIP and its funding sources.

2.3.7. The base services squadron (SVS):

- 2.3.7.1. Activity managers identify what facilities and equipment they will need for the next 5 years.
- 2.3.7.2. Flight chief reviews and coordinates the facility and equipment needs.
- 2.3.7.3. Resource management flight chief:
  - 2.3.7.3.1. Reviews and consolidates the facility and equipment needs.
  - 2.3.7.3.2. Gets the services commander, base civil engineer, and support group commander coordination on the facility and equipment needs.
  - 2.3.7.3.3. Does internal needs' validation studies.
  - 2.3.7.3.4. Prepares the consolidated services' LRCIP.
  - 2.3.7.3.5. Ensures DD Forms 1391 and 1391c, **Military Construction Project Data**, are prepared for the projects in the LRCIP.
- 2.3.7.4. Commander or director:
  - 2.3.7.4.1. Recommends final base-level priority for projects.
  - 2.3.7.4.2. Sends the LRCIP to MAJCOM/SV.

2.3.8. Installation Base FM. Provides oversight of NAF facility requirements through review of and coordination on all internal needs' validation studies for applicable base projects.

**3. Needs' Validations.** Carry out a validation study for every services facility-improvement project. Incorporate the results of CORPORATE PRISM and similar market surveys into all studies.

**3.1. Informal Needs' Validation.** Made up of detailed memos that outline the projects' requirements. The SVS:

3.1.1. Completes an informal study for new construction projects that cost less than \$50,000 and for maintenance and repair projects that cost less than \$100,000.

3.1.2. Commander or director signs the informal studies and includes them in the project folder.

**3.2. Internal Needs' Validation Study (INVS).** The base, following format guidelines provided by AFSVA, completes an INVS for each new construction project costing \$50,000 or more and for each maintenance and repair projects costing \$100,000 or more.

3.2.1. Installation commanders and key staff use the studies to prioritize projects in the LRCIP.

3.2.2. Air Force Headquarters uses the INVS to evaluate projects competing for AFBCIF funds.

**3.3. Independent Needs' Assessment.** Independent needs assessments are required for projects being reported to OSD, Congress, funded by the AFBCIF, or as determined by AFSVA/CC. HQ AFSVA/SVQF may either contract out, or conduct, independent needs assessment studies for NAF projects.

3.3.1. Use independent contractors for large projects or projects that are expected to be self-sufficient.

3.3.2. Use AFSVA resources to study smaller projects or projects that aren't expected to be self-sufficient.

3.3.3. Air Staff, OSD, and Congress use the studies to help validate projects and prioritize them for funding.

**4. Interim Analysis for Category C Facility Projects.** Category C facilities are in AFI 32-1022. Because financial factors and assumptions may change between the time the needs' assessment study is finished and the time that the construction contract is awarded, HQ AFSVA/SVQ does an interim project analysis to ensure the financial criteria for each project is valid. There are two categories of projects:

4.1. Projects \$1 million and over. Focus on actual performance compared to the data in the pro forma statement and the assumptions in the initial needs' assessment. Do the analysis when the project is 90 percent designed.

4.2. Projects over \$500,000 and over flagged by financial indicators (see AFMAN 34-214, paragraph 1.4). Compare assumptions in the initial needs' assessment against the most recent financial performance. Do the analysis before these projects are reported to Congress and again at the 90 percent design stage.

**5. Project Data.** All project data must comply with current Air Force requirements.

**5.1. Project funding.** All projects must meet AFI 32-1022 requirements.

**5.2. Project Scope.** Use AFH 32-1084, *Standard Facility Requirement Handbook and DoD Military Handbook 1190*, to define the authorized scope of the planned facility. Use the appropriate needs' validation study to determine its exact scope.

**5.3. Project Cost.** A breakdown of costs will be provided by base civil engineering for construction, architect and engineer (A-E) design, contingency, supervision, inspection and overhead (SIOH), and furnishings and equipment.

**5.4. Project Account Numbers.** HQ AFSVA/SVQF provides each base with:

An automatic reimbursement accounts (ARA) number for all Air Force centrally-funded construction projects at the base.

An Air Force base capital improvement fund (AFBCIF) project number for each project.

5.4.1. Use both numbers to identify the project on all correspondence and cash transfers.

**5.5. Project Scope and Cost Changes.** Before issuing any change order or contract modification increasing the approved scope or cost of an AFBCIF project, the MAJCOM must get approval in accordance with AFI 32-1022.

5.5.1. USAF/CV will review cost changes over 25 percent of the approved amount.

5.5.2. MAJCOM/SV and CE sign requests for increases. Requests for increases over 25 percent must be signed by MAJCOM/CV.

**6. Air Force Services Facilities Inventory Report, IRCN: HAF-SVQ (A) 9464:**

6.1. This report lists services facilities at each base and includes these elements: Major command, base code, facility category code, facility description, facility number, scope requirement, scope existing (current facility size), facility condition code, type of construction, control code, and facility completion date. HQ AFSVA/SVQF provides detailed instructions on how to fill out the report. MAJCOM/SVs update and submit the report to HQ AFSVA/SVQF by 31 December each year.

6.2. This report is designated emergency status code C-3. Continue reporting during emergency conditions, delayed precedence. Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports. Submit by nonelectronic means, if possible.

**7. Resource Management Flight Chief.** Responsible for services facility management at base-level.

7.1. Ensures that the LRCIP is submitted.

7.2. Monitors the design and construction of all projects.

7.3. Notifies HQ AFSVA/SVQF and the MAJCOM/SV once base contracting awards a design contract.

7.4. Coordinates design meeting dates with HQ AFSVA/SVQF to ensure the Air Force project manager can attend.

7.5. Ensures all project actions and costs leave a clear audit trail by setting up a project folder at the start of the project and maintaining it until the final invoice is paid. The folder includes:

7.6. INVS and copies of surveys and other needs' assessment documents

7.7. Documents, letters, messages, and extracts from NAFs council minutes approving the project

7.8. DD Forms 1391 and 1391c and all revisions

7.9. Minutes of design meetings and design review comments

7.10. Funding and project approvals

7.11. Monthly project status reports

7.12. All other pertinent correspondence

## 8. AFBCIF Project Status Report, RCS:HAF-SVQ (M) 9465.

8.1. HQ AFSVA/SVQF provides detailed instruction on how to fill out this report. The services squadron commander submits a monthly status report on each project, to HQ AFSVA/SVQF and the MAJCOM/SV. The reporting requirement begins when the project is approved and continues until the project is completed.

8.2. This report is designated emergency status code C-3. Continue reporting during emergency conditions, delayed precedence. Submit data requirements as prescribed, but they may be delayed to allow the submission of higher precedence reports. Submit by nonelectronic means, if possible.

8.3. **Project Completion.** For the purposes of reporting NAF projects on the AFBCIF monthly PSRs and initiating appropriate accounting action relating to GLAC 185, the project completion date is the date of beneficial occupancy. The beneficial occupancy date is when the program/function for which the facility/project was intended is operating and/or open to customers. There may be some punchlist items that require additional work, but, unless these prevent use of the facility, the project is considered 100% construction complete.

8.3.1. When the base takes beneficial occupancy of a project, the date is annotated on the monthly PSR in the block marked "beneficial occupancy" and the same date is entered in the "100% date" block under the "Constr Actual" column

8.3.2. Within 5 days of beneficial occupancy, the Services deputy must send a memo to the NAF Accounting Office, with copies to the Services commander/division chief and the resource management flight chief, indicating the date of beneficial occupancy. The NAF Accounting Office must move the project costs from GLAC 185 to the proper asset and expense accounts within 30 days of the beneficial occupancy date. A copy of the general journal entry showing the transactions is provided to the Services commander/division chief. Thirty days after notification of beneficial occupancy, the Services commander/division chief sends a memo to the local AF Audit Agency office requesting an audit of the project files.

8.4. **Project Account Close-Out.** Project automatic reimbursement accounts are closed only when all invoices are paid. Bases must continue to submit a monthly PSR until all invoices are paid, even though a project is shown as 100% construction complete. Complete the block on the PSR asking if all bills were paid. If the answer is "No," enter the estimated amount outstanding in the appropriate block. Continue to update these blocks each month until the last bill is paid. In addition, place a note in the PSR comments section every month describing invoices paid during the month or what follow-up actions were taken to obtain the final invoices. Once the final invoice is paid, place a "Yes" in the block asking about paid invoices and put a "0" in the outstanding amount block. Also, annotate the comments section with the statement "Final invoice paid on {give date}. Project account should be closed." HQ AFSVA/SVXF will close the project account when they see this comment on the PSR.

**9. Project Design.** Assign a project manager from the HQ AFSVA/SVQF staff for every project funded by AFBCIF. The HQ AFSVA project manager:

9.1. Attends the predesign, 10-percent, and 35-percent design meetings or their equivalents.

9.2. Serves as the Air Force point of contact (POC) for all actions related to the project design and construction.

9.3. Must review all project design actions prior to their approval.

**10. Project Interior Design.** If a MAJCOM has an interior design staff for Services facilities, it determines if the interior design will be done in-house or if it should be included in the A-E design contract. If the interior design will be done in-house, the base contracting officer clearly indicates this in the A-E design statement of work (SOW).

**11. Project Facility and Financial Evaluation.** HQ AFSVA/SVQF provides detailed instructions on how to do evaluations.

**11.1. Facility Evaluation.** Six months after a major improvement project is completed, HQ AFSVA/SVQF:

11.1.1. Ensures that construction conforms to the specifications of the needs' validation study and the approved A-E design.

11.1.2. The evaluation team normally consists of AFSVA facility and program specialists, MAJCOM representatives, and base personnel.

**11.2. Project Financial Evaluation.** For the first 5 years after the end of a project, perform an annual comparison of the financial projections in the needs' validation study against the actual results.

ARTHUR J. MYERS  
Director of Services

## Attachment 1

### IC 99-1 TO AFI 34-105, PROGRAMMING FOR NONAPPROPRIATED FUND FACILITY REQUIREMENTS

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