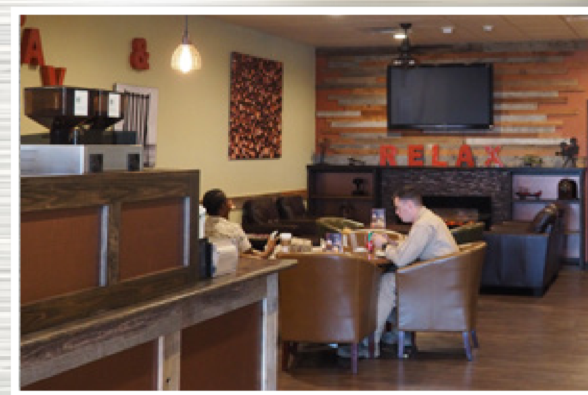
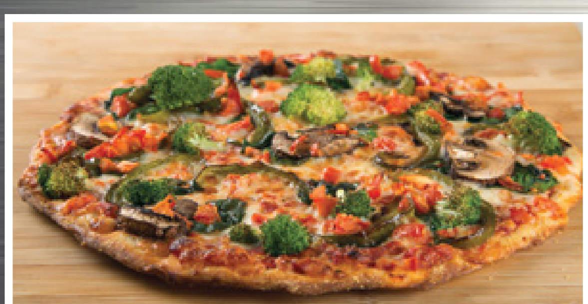
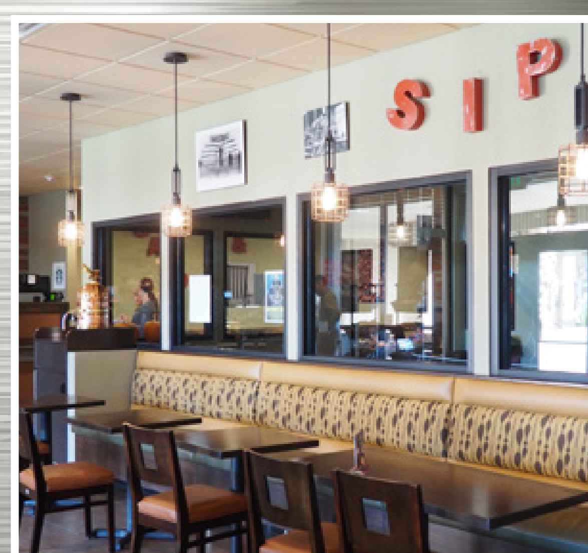
Navy Food and Beverage Program

Desk Guide for Managers







MWR
MORALE, WELFARE AND RECREATION

MWR

MORALE, WELFARE AND RECREATION

Welcome to Navy Morale, Welfare and Recreation (MWR). We are happy you joined our dedicated team of recreation and hospitality professionals who work together to support our military service members and their families worldwide as they protect and serve our country. We expect you to be the best you can be, get involved and become part of the team! As an MWR employee, your day-to-day actions reflect on your individual operation, the MWR Department and your Navy installation. It is important that you learn how to effectively manage your own operation and also take the time to become familiar with all MWR facilities and the services they offer.

Did you know that as an MWR employee, you are able to use many of the facilities and services offered on base, such as the fitness and aquatics centers, library, bowling center, Child and Youth Programs, golf course, Community Recreation Program, movie theater, marina, and other MWR programs offered in your area? This is a great perk that you should also encourage your employees to enjoy!

The following “How To” managers guide was developed for all MWR managers to ensure they have a strong understanding of our organization, the role MWR plays in building strong Navy communities, and the nuts and bolts about their specific MWR program. The guide is a starting point for all managers; it is yours to keep as a reference tool, so mark it up with any notes that will help you in the future. Welcome to our Navy MWR team!

Section 1: INTRODUCTION TO NAVY MWR

Chapter 1: Chain of Command

Chapter 2: Funding Sources

Chapter 3: MWR Program Categories

Section 1: INTRODUCTION TO NAVY MWR

Chapter 1: Chain of Command

“Chain of command” is how an organization structures its reporting relationships and layers of authority. Understanding where one fits in the overall chain of command results in greater communication, stronger awareness of the scope of services, and a firmer understanding of service delivery expectations. This chapter demonstrates that MWR is one part of a much larger picture.

Why is understanding the overall chain of command important? Listed below are some reasons:

- *Knowing the full chain of command reminds MWR professionals that although their primary duties involve managing a specific MWR program, at the same time they are supporting fleet readiness and enabling the fleet to meet military mission requirements.*
- *By recognizing that “fleet readiness” encompasses more than their specific MWR program or installations, MWR professionals become more aware that they are contributing to a comprehensive network of services for military members, including housing and lodging, financial planning, food service, community support, deployment and transition support, and many other elements that contribute to a good quality of life.*
- *Being knowledgeable about the different levels of the chain of command allows MWR professionals to recognize the department or division when memos, instructions and other correspondence come from various levels in the chain of command.*
- *Finally, when MWR professionals are aware of how the “big picture” operates, they can understand how the chain of command supports their local installations and local MWR. This allows them and the families they serve to benefit from all of the support and resources the chain of command has to offer.*

Navy MWR is part of the Department of Defense (DoD), which encompasses all four branches of the military, including the Navy, Army, Air Force, and Marine Corps. The following sections provide a basic visual of where MWR fits into the overall “big picture” with regard to the chain of command and MWR policy and resource alignment, and give a general understanding of the offices and departments that support Navy MWR.

An understanding of the chain of command helps MWR professionals to:

- ✔ Request support and resources from CNIC (N92) HQ to strengthen program quality.
- ✔ Realize that MWR is one part of a large, comprehensive support network for military communities, and be able to talk with customers about the entire system.
- ✔ Recognize the department or division when memos, instructions and other correspondence come from various levels in the chain of command.

1.1 Secretary of Defense (OSD)

DoD is the executive department of the U.S. government and is charged with the coordination and supervision of all government agencies that are related to national security and the armed forces, including the Navy, Army, Air Force, and Marine Corps. DoD is the world’s largest employer, with more than two million active-duty Sailors, Soldiers, Marines, Airmen, and civilian workers, as well as more than one million National Guardsmen and armed forces Reservists.

DoD is headed by the Secretary of Defense, and is the authoritative body for policy development, planning, resource management, and fiscal and program evaluation responsibilities of all of DoD and the organizations that operate under the DoD umbrella (including Navy MWR).

1.2 Office of the Under Secretary of Defense for Personnel and Readiness (OSD P&R)

The Under Secretary for Personnel and Readiness is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary of Defense for Total Force Management as it relates to readiness, National Guard and Reserve component affairs, health affairs, training, and personnel requirements and management, including equal opportunity, morale, welfare, recreation, and quality of life matters.

1.3 Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy (MC&FP)

MC&FP is directly responsible for programs and policies for community quality of life programs for service members and their families worldwide. This includes providing family support policies and programs such as MWR programs, family center operations, child care, youth programs, family advocacy, relocation assistance, transition support services, and support during mobilization and deployment.

1.4 Secretary of the Navy (SECNAV)

The Secretary of the Navy (SECNAV) is responsible for all the affairs of the Department of the Navy, including: recruiting, organizing, supplying, equipping, training, mobilizing, and demobilizing. The Secretary of the Navy also oversees the construction, outfitting, and repair of naval ships, equipment and facilities. SECNAV is responsible for the formulation and implementation of policies and programs that are consistent with the national security policies and objectives established by the president and the Secretary of Defense. The Department of the Navy consists of two uniformed services: the United States Navy and the United States Marine Corps.

1.5 Assistant Secretary of the Navy for Manpower and Reserve Affairs (ASN M&RA)

The ASN M&RA is a civilian office in the Department of the Navy that is responsible for recruiting all of the personnel of the United States Navy, including military personnel (both active and Reserve), government civilians, contractors, and volunteers.

1.6 Deputy Assistant Secretary of the Navy for Military Manpower and Personnel (MMP)

The Deputy Assistant Secretary of the Navy (MMP) is responsible for the establishment and oversight of policies related to Navy active-duty service members and their families, including recruiting and retention, compensation, quality of life, healthcare, and training and education.

1.7 Chief of Naval Operations (CNO)

The Navy is led by the Chief of Naval Operations. The Navy maintains, trains and equips combat-ready maritime forces capable of winning wars, deterring aggression, and maintaining freedom of the seas. The Navy is America's forward-deployed force and is a major deterrent to aggression around the world. The Navy's aircraft carriers are stationed in "hot spots" that include the Far East, Arabian Gulf and Mediterranean Sea, to quickly respond to crises worldwide.

1.8 Commander, Navy Installations Command (CNIC)

CNIC is the supporting commander for shore services and support, and is responsible for the management, operation and readiness of the Navy's installations and shore capabilities. CNIC enables and sustains fleet, fighter and family readiness by providing unified policies, resources, procedures, processes, standards, and oversight for effective and efficient shore platform capabilities.

CNIC was established on Oct. 1, 2003, and is the single responsible office, advocate and point-of-contact for Navy installations worldwide. It provides funding, direction, policy guidance, and ongoing management support for 10 Navy regions comprised of 70 shore installations. CNIC headquarters is located in Washington, D.C., with some divisions providing headquarters (HQ) support from Millington, Tenn.

All employees who work for the U.S. Navy in the field of MWR are part of the CNIC team. You can learn more about CNIC at ***http://cnic.navy.mil***.

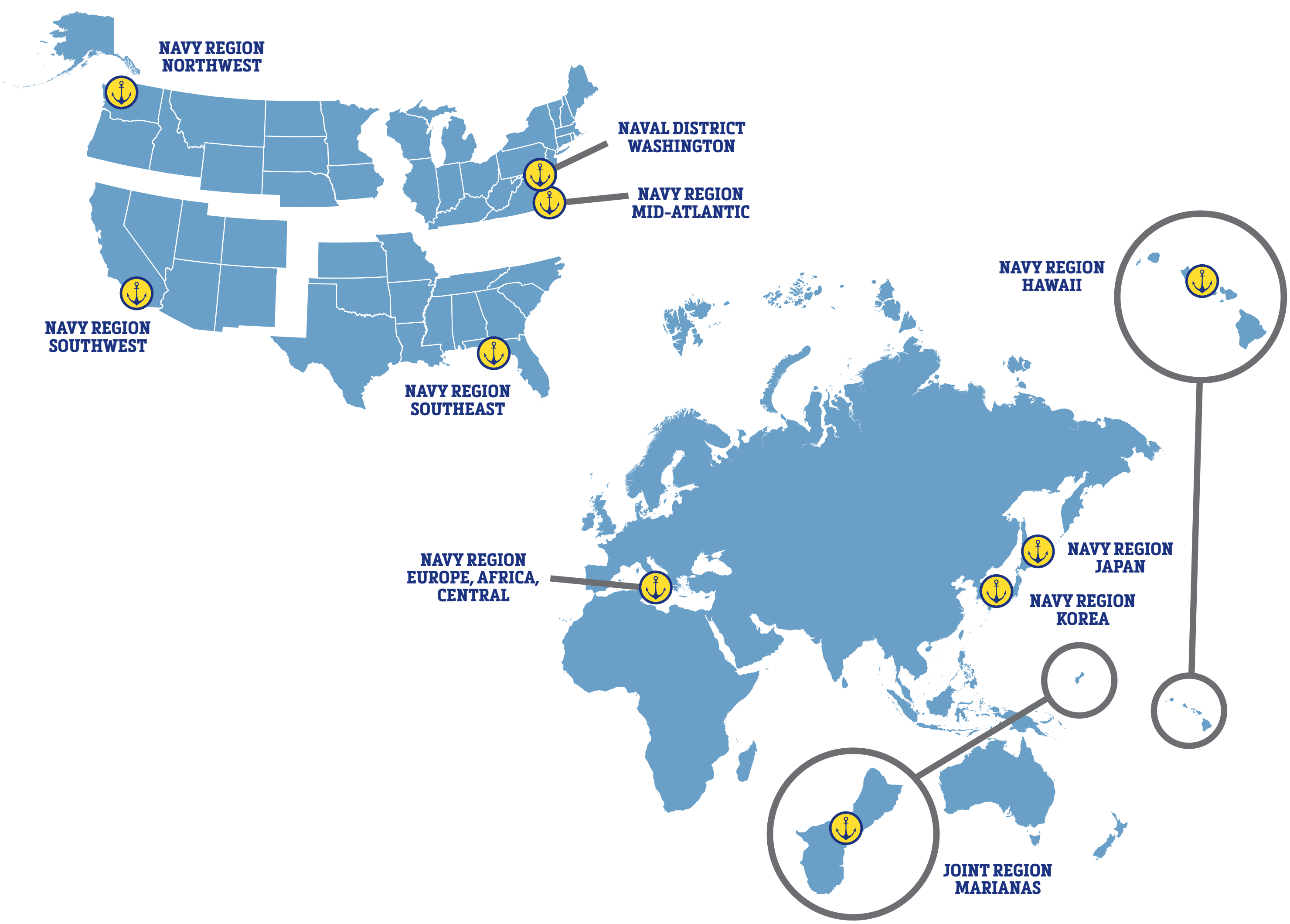
1.9 CNIC Regions

Regions are structured to provide maximum support to all installations in their area of responsibility. The organizational structure and specific roles of the region will vary based on the size and needs of the individual regions. Ask your supervisor for additional information about how the chain of command works in your region. The map below shows the breakout of the 10 Navy regions.

POPULATION SERVED
325K Active-duty Members
59K Active Reservists
392K Family Members
575K Navy Retirees

10 Regions
1.8M Acres (half the size of Connecticut)
117 Runways/414 Piers/915 "Special Areas"
$199B Plant Replacement Value (Structural/Utilities)
37K Buildings/30K Structures

$10.4B Resources ★ 52K Employees ★ 70 Installations ★ 122 Product Lines
THE NAVY'S MOST COMPLEX PLATFORM



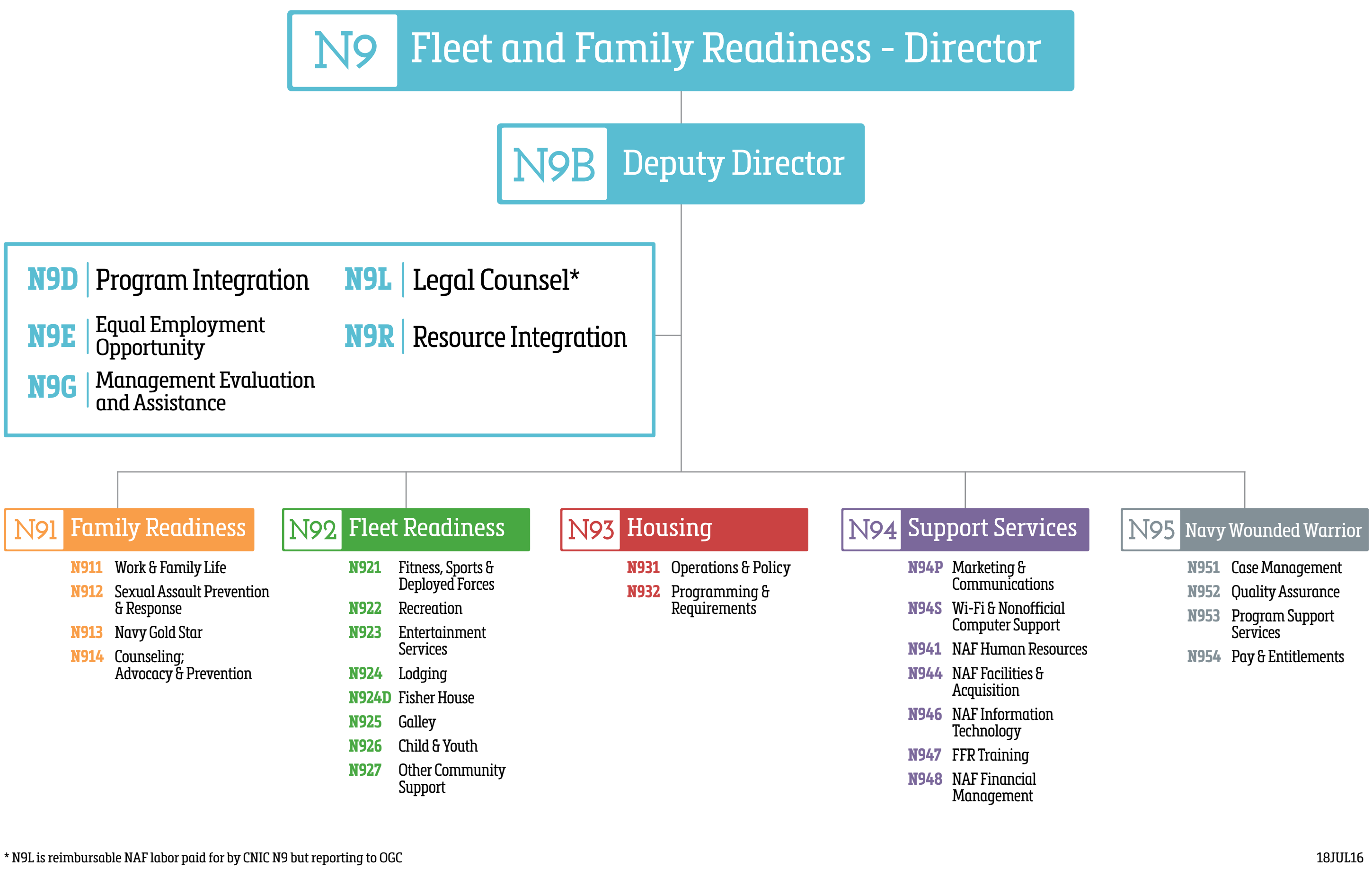
1.10 CNIC Installations

This is where the action happens! MWR programs are delivered at the installation level with support from the region. Navy installations are located all over the world; some are located in metro areas with other military bases nearby, or in isolated areas where the installation is more than 100 miles from a large city. Some installations are located on the water, while others are in hot and arid climates. Learn more about the regions and installations at ***http://cnic.navy.mil***.

1.11 CNIC (N9) Fleet and Family Readiness (FFR)

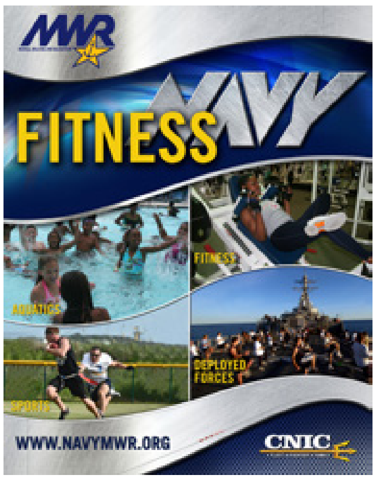
CNIC is divided into smaller departments known as "N Codes," which range from CNIC N00 to CNIC N9. The codes have their own area of responsibility and a separate chain of command. The FFR department is the CNIC N9 code and is dedicated to providing a full range of quality products and services that enhance customers' lives in support of mission readiness and Navy retention. Of the 52,000 employees who work to support the CNIC mission, about 28,000 of them work for the CNIC N9 FFR organization. Of these, more than 10,000 (37 percent) of the CNIC N9 employees work for MWR. The following chart depicts the CNIC N9 organization. Learn more about FFR by viewing the N9 Fleet and Family Readiness Programs Guide located in the ***MWR e-Library*** at ***www.cnic-n9portal.net***.

N9 Organizational Structure



1.12 Fleet Readiness (N92)

Fleet Readiness supports the quality-of-life needs of Sailors and their family members. N92 is divided into several programs including Fitness, Recreation, Entertainment, Galley, Lodging and Child and Youth Programs. Patron groups that are authorized to use Navy MWR facilities, equipment and services include active-duty military personnel and their family members, activated Reservists, retired military personnel, civilian DoD personnel, foreign national employees assigned and working directly for the DoD installations overseas, and DoD contractor personnel working full-time on the installation. Once patron priority is established, use of MWR programs is on a first-come, first-served basis. You may see the following marketing materials for Fleet Readiness Programs on your installation.



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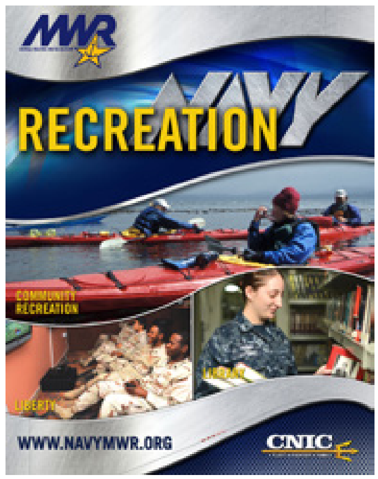

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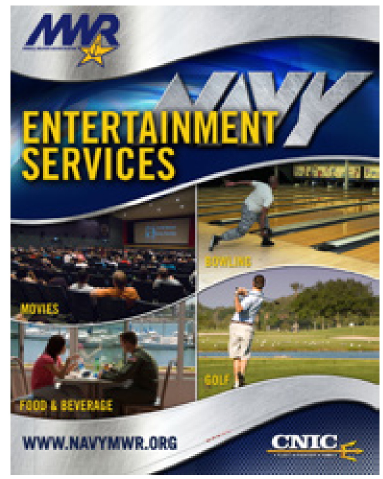

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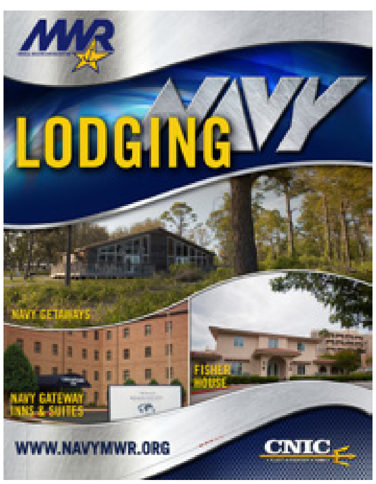

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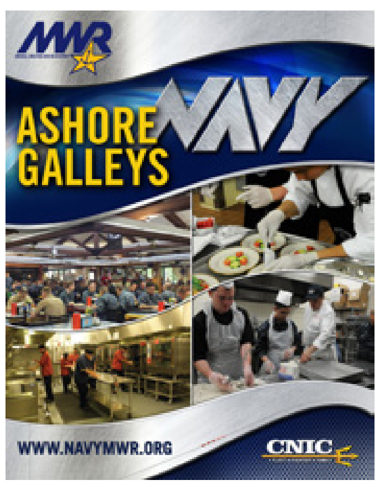

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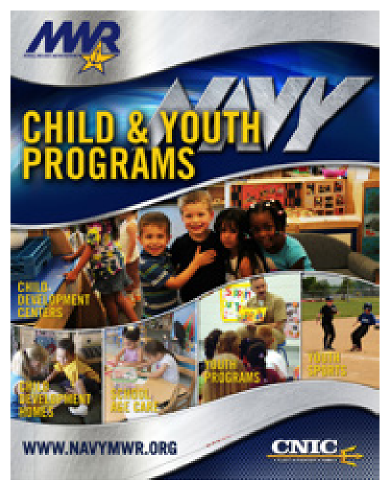

N926

1.13 Morale, Welfare and Recreation

MWR's mission is to deliver high-quality, customer-focused programs and services that contribute to resiliency, retention, readiness and quality of life. MWR's purpose is to conduct activities and events, and provide products and services for our patrons. MWR's goal is to design and deliver quality programming for all patron groups. Therefore, MWR managers and their staff are a critical component in ensuring program success.

Given its mission, purpose and goals, MWR has a strong brand identity within the military community. The success of the MWR program is a result of the ability to deliver dependable, high-quality recreation programs in worldwide state-of-the-art facilities, continuous process improvement, well-trained staff, and an experienced management team.

The basic need that recreation enthusiasts are looking for is a positive experience; however, due to the many competitive alternatives, customers are demanding that other needs be satisfied as well. Common demands from patrons now include quality customer service, convenient program availability, modern facilities and amenities, a safe program environment, and low or competitive pricing.

Chapter 2: Funding Sources

MWR funding support typically comes from four different sources. These sources include a combination of appropriated funds (APF), non-appropriated funds (NAF), program grants, and commercial sponsorship. Each of these funding sources is defined below.

2.1 Appropriated Funding (APF)

APF is money appropriated by Congress that is identified for a specific purpose, also known as "appropriations." Each year CNIC presents a spending plan to Congress for the cost to operate MWR programs. This plan is called the Program Objective Memorandum (POM). The costs to operate MWR programs are driven by Common Output Levels (COLs) that are tied to your Navy program standards.

Category A programs should be supported primarily with appropriated funds (APF) and are authorized APF at a level of 100 percent (minimum 85 percent) of total program expenses. Category B programs are authorized use of APF at a minimum level of 65 percent of direct program expenses. Category B programs should partially or fully sustain themselves with NAF. Business activities are Category C programs and can receive limited, indirect APF support for utilities (except golf), but are expected to be profitable without APF support. For additional information, contact your regional/installation training coordinator and request to attend APF Financial Training.

For funding and programming purposes, Navy installations are divided into six size categories. The size is determined by the total active-duty military population assigned to the base and can change from year to year if the base population changes due to an increase/decrease of homeported ships, squadrons, students, etc. The table below illustrates base sizes as they relate to MWR program funding and standards.

Base Size	Active-Duty Population
❏ Micro Sites	❏ < 200
❏ Extra Small	❏ 201-500
❏ Small	❏ 501-3,000
❏ Medium	❏ 3,001-7,000
❏ Large	❏ 7,001-14,000
❏ Extra Large	❏ >14,000
❏ Jumbo	❏ San Diego/Norfolk

2.2 Non-Appropriated Funding (NAF)

NAF is the dollars spent by active-duty and retired military personnel, family members and civilian employees in MWR facilities from the sale of goods and/or services and program participation fees. NAF funds are used to support salaries, equipment and supplies, construction projects, and other operational costs where either APF is not available or authorized. NAF differs from APF, as it is not subject to congressional appropriation. Additionally, installation MWR programs may receive NAF funds in the form of dividends from installation Navy Exchange profits. For additional information and training, contact your regional/installation training coordinator and request to attend NAF Budgeting Planning.

2.3 Uniform Funding Management (UFM)

UFM is a practice designed to aid in the timely execution of APF in support of Navy MWR programs. This practice allows APF available for MWR programs to be treated as NAF and expended in accordance with laws applicable to NAF (NAVSUP 1000). The transaction must be an APF-authorized expense or the use of UFM is prohibited. The UFM process is handled by the installation/region Finance Office, but all managers need to be aware of the prohibited uses of UFM dollars. Examples of these items include trophies and prizes, cash awards, entertainment/event tickets, gift certificates and gift cards, vehicles, resale items, food, bottled water, and T-shirts and caps. For the full list of prohibited purchases, visit ***www.navymwr.org/resources/finance/finance_policy/***.

2.4 NAF Grants

There are various grants funded centrally through CNIC HQ, and some regions manage their own regional grant program. ***Grant forms are available in the MWR e-Library Reports folder.*** See below for a brief description of the CNIC HQ NAF grants available to MWR programs.

Centrally-funded Grants: Centrally-funded grants originate from either non-appropriated funds (NAF) or appropriated funds via the UFM process. Centrally-funded grants are normally issued in support of, but not limited to, the following:

- ***FLEX Fund Supplemental Grants:*** These grants provide the regions with funding to supplement NEX profit dividends.
- ***UFM Capital Grants:*** Funds received for the purchase of fixed assets (e.g., fitness equipment, child care equipment, computers and computer software, etc.).
- ***Facility Projects:*** Funds received for minor construction, repairs and renovation of buildings and facilities.
- ***Navy Birthday Ball Grants:*** These grants are in the form of a reimbursement and require that the Navy Birthday Ball Reimbursement Grant Request Form be completed. Commands interested in this grant can find further instructions on the MWR website at ***http://navymwr.org/resources/navy_ball/***.
- ***Operational or Salary Offset:*** Funds received to cover salaries for start-up and seasonal (e.g., Teen Summer Camp) programs. This type of grant is considered operational.
- ***Reimbursement:*** Funds received to cover preapproved incurred expenses, (e.g., travel/airfare related to training/workshops hosted by CNIC).
- ***Program Support:*** Funds received in support of special event programming (e.g., live entertainment, equipment and supplies). The program support grants are very popular with Liberty and Community Recreation Programs. The intent for these grants is to support creative and innovative recreation programs that positively impact your customers. MWR program grants are offered as a reimbursement and the amount of funding will depend on the event. The grant is to offset costs for the programs and should not be used to help the installation generate profits from a special event. Also, the MWR program grants are specific to an individual program and cannot be transferred to another program; however, this should not be an issue, as grants are paid in reimbursement form after the event is conducted.

When considering the creation of a new Sailor Adventure Quest (SAQ) program, cost is often the primary hurdle preventing development and implementation. To help you kick-start a new leisure skills program, contact CNIC SAQ staff for possible supplemental funding.

Key things to share with your staff about the MWR program grant include:

- ➢ Can be requested prior to the event date. The grant amount is determined based on the type of event and available funds.
- ➢ Event expenses can include equipment, supplies, décor, contracted services, entertainment, leisure skill instruction, and rental expenses. Except for Liberty Programs, events/trips/activities must be open to all eligible customers.
- ➢ Labor expenses can be included in the grant request, but only for any extra labor required to augment normal staff schedules for the event, etc. This does not include staff that is already on the clock as their normal workday.
- ➢ Admission fees and entry ticket expenses are excluded, as are lodging expenses (except for tour escort TDY lodging).
- ➢ Fireworks are excluded.
- ➢ Grants for family events are encouraged, but events exclusive to Child and Youth Programs are not supported. Those requests are handled via region CYPs.

2.5 Commercial Sponsorship

Commercial sponsorship is a contractually-based arrangement in which various types of sponsor recognition are provided in exchange for financial or in-kind consideration. Commercial sponsorship is the act of providing assistance, funding, goods, equipment or services to MWR programs and events by an individual, agency, company, corporation, or other entity (sponsor) for a specific (limited) time in exchange for advertising or promotional opportunities within the Navy community. Sponsorships are not gifts or donations. Commercial sponsorship offsets the cost of, or enhances existing MWR events and programs, and provides a means for MWR to offer exciting new programs. MWR staff activities, unit/squadron events, family support groups, spouses' organizations, private associations, and non-MWR programs are not eligible for the support. Solicitation of any form of monetary or in-kind support can be done legally ONLY by a designated commercial sponsorship coordinator. This responsibility is included in an MWR staff member's position description or detailed in a letter of appointment. Program and facility managers are not authorized to ask businesses, organizations or individuals for contributions to any Navy program. Contact your region/installation Commercial Sponsorship Program coordinator for additional information.

Chapter 3: MWR Program Categories

MWR Program Category	MWR Programs	APF Operational Support (%)	Construction Funding Source
Category A Mission Sustaining	Fitness, Single Sailor (Liberty), Deployed Forces, Ball Fields, Libraries, Admin Support	85% Minimum	APF/MILCON SIC = MW
Category B Community Support	Auto Skills, Craft Centers, Gear Rental, ITT, Bowling (<17 lanes), Swimming Pools, CDC, SAC, Youth Programs	65% Minimum (includes CYP funds)	CDC/OCONUS YOUTH & Playing Fields – MILCON Others – NAFCON SIC = MW and CD
Category C Revenue Generating	Golf, Food & Beverage, Marinas, Bowling (>16 lanes), RV Parks, Beach Cottages, Movie Theaters	0%**	NAF/NAFCON

**** Category C operations at CONUS isolated & remote installations plus OCONUS installations are authorized Cat B-level support.*
All Category C activities, except golf, are authorized utilities support.
For a detailed description of all MWR programs, review DoDI 1015.10 or visit http://www.navymwr.org.
For additional information regarding the funding metrics, review DoDI 1015.10 or DoDI 1015.15 for the APF and NAF authorizations.

Financial and operating standards and guidelines establish minimum levels of performance to ensure MWR Category C activities are fiscally and operationally sound. The Cat C activities include bowling (17 lanes or more), golf, marinas, Navy Getaways, movie theaters, and food and beverage. As mentioned above, these programs do not qualify for any offset funding such as the Cat A/B programs. Cat C programs are expected to have a positive net profit. Net profit is calculated by subtracting total expenses from total revenue. To have a positive net profit, revenue must exceed expenses. Cat C programs are expected to make a profit and not break even (revenue = expenses), as this profit is used for future recapitalization of the MWR facilities.

While each Cat C program may have different standards of financial performance, it is generally accepted that Cat C programs generate a minimum of 5 percent net profit. Cat C programs generate program revenue by charging for services. Resale revenue is generated by selling merchandise. Program and resale revenue have different expenses and should be managed with an understanding of what contributes to their main expense. For example, the main expense for programs is labor (salary and benefits). Labor is required; however, a manager can minimize spikes in labor by managing the work schedule and taking steps to reduce overtime. Cost of Goods (COGs) is the major expense for resale items and can be managed by paying attention to inventory turnover levels (how quickly an item sells) and ordering appropriately to minimize obsolete items and spoilage.

How to manage revenue-generating programs is discussed in detail in the NAF 101 training course. If you have not already attended the training, contact your training and performance improvement specialist to see when the training is offered. We also suggest you review CNICINST 1710.3, Operation of MWR Programs, for additional financial metrics.

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Section 2: PROGRAM SUPPORT

Chapter 1: Performance Assurance

Section 2: PROGRAM SUPPORT

Chapter 1: Performance Assurance

MWR continues to support quality improvement efforts. DoDI 1015.10 requires that DoD components meet minimum MWR standards, including ensuring consistent quality and monitoring compliance in meeting those standards. The Navy MWR Program Standards were written to meet DoD requirements and to provide managers guidelines in meeting program output. Ongoing customer interaction ensures we are meeting and sometimes exceeding expectations; the MWR Accreditation Program has made significant headway in increasing program standards awareness and standardizing processes from the headquarters level as well as defining a quality MWR program. The following section explains how MWR continues to push for program excellence.

1.1 MWR Program Standards

Every MWR program has the responsibility to perform at the highest possible level, including providing quality, innovative programs in well-managed facilities. To assist installations in achieving this goal, standards for several MWR programs were developed in 2001 by integrated process teams (IPT). The teams were comprised of various groups of MWR program experts from the installation, region and headquarters levels. Program standards are reviewed and updated regularly to stay current with the mission of the various MWR programs as well as policy updates. Many of the standards are based directly on DoD and Navy policies, and others are professional interpretations written to fit Navy MWR.

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Navy Program Standards have been developed for the following MWR programs: Navy Fitness, Single Sailor/Liberty, Deployed Forces Support, Community Recreation, Auto Skills, Bowling, Golf, Movie Program, and Marinas.

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Six key process areas were identified where effective performance is critical to achieve the mission and to satisfy customers. These areas include personnel, facilities, programs, equipment, administration, and customer satisfaction. To help managers and frontline staff understand the program standards and how they apply in the day-to-day operation, an excel format was created, allowing managers to score program compliance at any time. Standards can be found in the ***MWR e-Library*** on the N9 portal at ***www.cnic-n9portal.net***.

1.2 Performance Data Call (PDC)

The PDC is a web-based, self-assessment tool that allows installations to compare program execution to the developed Navy Program Standards. Program managers complete the online survey, located on the N9 portal, annually, and the scores are combined to provide an overall MWR program score. The overall MWR score is used by HQ and installation management to assess program performance and improvement, and to describe the linkage between program cost and mission readiness by answering the question: “What do we get for our money?” The bottom line is that compliance with program standards results in a high-quality MWR program, and that is the goal for every Navy MWR program.

1.3 Customer Satisfaction

MWR is a customer service organization. The ability to acquire and retain customers is vital to the program’s long-term success. Our customers should identify MWR as having the best customer service that far exceeds that of competitors. To ensure we continue to be our customers’ number one choice, MWR provides training for a wide range of critical service skills vital to customer satisfaction and loyalty.

To help achieve customer satisfaction, new MWR employees will attend training within the first 90 days of employment. This training is called Star Service: Creating Stellar Customer Relations. Managers and supervisors also are expected to attend Star Service: Coaching for Extraordinary Service. Not only are employees trained to deliver excellent service, they should be empowered to make the decisions required to immediately satisfy a customer. Just having programs and services available to military patrons isn't good enough; they must be provided in a manner in which the customer perceives that they are important and well served with respect to the facilities, programs and customer service that are available within the MWR environment. Most importantly, we need to hold ourselves accountable for providing positive customer experiences. Ask your regional training specialist for a list of customer service training opportunities.

MWR monitors a customer's level of satisfaction through surveys and other convenient feedback opportunities such as comment cards, focus groups and surveys. Additionally, MWR staff should be visiting ships, squadrons or tenant commands, listening to the customer, acknowledging their comments and recommendations, and communicating positive implementation where possible/practical. Currently, each MWR program has a customer satisfaction survey that is available via the SurveyMonkey platform. These 11-question surveys are program specific and designed to give management valuable and timely feedback to improve performance.

1.4 MWR Accreditation Program

As part of the ongoing process to ensure mission readiness, CNIC MWR conducts site accreditation visits during the fiscal year. The MWR Accreditation Program was established in 2010 to recognize top-performing MWR programs. The accreditation program evaluates five critical elements: compliance with Navy MWR Program Standards, financial performance, customer satisfaction, facility management and MWR administration. MWR operations that demonstrate sound management and program delivery, and embody the spirit of the accreditation process, will earn basic accreditation. Those operations that exhibit superior overall performance, including program reviews and on-site visits, in addition to the basic accreditation, may receive recognition as a Five Star program. All MWR programs are expected to meet basic accreditation standards.

Every installation will have an accreditation site visit, at a minimum, every three years to validate program standards delivery and compliance. Accreditation status is valid until the next formal site visit. Ask your supervisor for the results of the installation's last accreditation visit, so you can work at improving any deficiencies your program may have. MWR Accreditation Program criteria and guidance can be found in the ***MWR e-Library Guidance folder***.

1.5 Standardization

Standardization is a key component in guaranteeing that communication, guidance and expectations are consistent across MWR programs, installations and regions. The development of standard operating procedures will ensure uniformity in critical processes, data collection and metrics reporting (program utilization). Additionally, HQ is providing consistent messaging and standardization in the development of the manager's desk guides, standardized position descriptions and fiscal oversight training. You can find all of these documents and more in the ***MWR e-Library***.

1.6 Information Systems

MWR uses certain technologies to transform how we work and how we take care of our customers. MWR has constantly invested in advanced software and equipment to enable our team to continuously improve the way we work. From point-of-sale systems — to employee timekeeping — to analytics systems — MWR has technology in place to help our MWR managers serve customers effectively and efficiently. However, to reap the benefits these systems have to offer, you must know how to use them. Below are some of the systems we provide.

Navy MWR e-Library. The ***MWR e-Library*** is a one-stop, web-based resource for MWR policy documents, program standards, position descriptions, reports, etc. MWR managers should visit the ***MWR e-Library*** frequently, as new items and updates are added regularly. Some of the specific documents and resources are listed below:

- DoD Instructions
- Policy Letters
- Navy Program Standards
- Standardized Position Descriptions
- Program Forms and Reports
- Training Requirements
- MWR Accreditation Criteria

Timekeeping and Scheduling – KRONOS®. Employee labor is your program's most valuable asset, and it is also your most controllable expense item. To properly manage labor costs, MWR has implemented KRONOS® software and time clocks in most facilities to aid supervisors in tracking and reporting employee time and attendance. KRONOS® is an automatic timekeeping system where staff enter the number of hours worked into an electronic timesheet for payroll processing. All MWR staff that are paid out of NAF use KRONOS®. APF employees do not use KRONOS®.

Each region has identified a KRONOS® super user point-of-contact who has been trained as a qualified trainer. All MWR activity managers are encouraged to contact their region super user if they need assistance or more information about how best to use the KRONOS® software.

Standard Labor Data Collection and Distribution Application (SLDCADA). This is the automatic timekeeping and payroll system used by APF employees. NAF employees do not use SLDCADA.

Point-of-Sale (POS) System (varies by program). In many MWR activities, point-of-sale systems are encountered by our customers when being served and are used frequently by our employees. Clearly, it is paramount that a POS system meets both the needs of the activity to track sales and program delivery, while at the same time providing a quick and simple experience for our customers. For this reason, the POS system selected for use by MWR varies by program. MWR is currently undertaking initiatives to standardize both the POS system and configuration used by a particular program, but is also attempting to ensure a consistent user experience globally for both customers and employees. Each POS system has an associated detailed training manual that can be found in the ***MWR e-Library***. For POS system enhancement or change requests, please contact the appropriate information technology manager (usually in N92 or N94).

Credit Card Processing – VeriFone. CNIC has for many years globally centralized credit card sales processing through our merchant bank, Bank of America. Our credit card processing machine of choice is made by VeriFone and is connected to the POS system in each activity. As the credit processing environment continually changes, our newest VeriFone machines are capable of handling both EMV (i.e., Chip & Pin) as well as traditional swipe processing of customer credit and debit cards.

Financial Reporting – SAP. SAP ERP (Enterprise Resource Planning) has been the standard financial system for the NAF accounting operation for more than 15 years. All sales transactions are interfaced daily from the POS system. Activity expenses such as labor, cost of goods sold and other operating expenses are recorded via interface or manually by the regional business office. All activity managers are responsible for managing the financial performance of their program activity and must access the SAP ERP system on a very regular basis. SAP ERP is accessed by logging onto Citrix and then selecting the SAP Logon application.

To obtain access to Citrix and SAP ERP, contact your local business office to request access through your authorization coordinator. The Manager Report Training Guide can be found in the ***MWR e-Library Training folder***.

Dashboards (varies by program). Dashboards are data visualization tools that can help managers make more sense of large quantities of numeric data. Dashboards have been developed for several MWR programs to highlight certain key performance indicators (KPIs) that reflect the critical success factors of the program. For example, the Golf Program uses revenue per round of golf as a primary KPI when determining program performance. The dashboards currently reside in the business warehouse (BW) of the SAP portal.

Program-Specific Software Applications. Several MWR programs have additional software applications that help enhance data collection or simplify the operations. Software may be used to assist with run times, tournament/league schedulers, and with scheduling events such as movies or classes. Specific details about what is available for your program are discussed in the program desk guide.

Enterprise Safety Applications Management System (ESAMS). This is another web-based training database. ESAMS was instituted by CNIC for management to identify, track and address safety issues before they lead to near-misses or actual accidents. MWR managers are required to input safety training data into ESAMS. Navy safety professionals can analyze job hazards, respirator program data and safety metrics, including medical surveillance, hazard abatement and accidental mishaps. Commands are provided with reports on a regular basis to review the safety data and take action if needed.

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Section 3: NAVY FOOD AND BEVERAGE PROGRAM

Chapter 1: Introduction to Navy Food and Beverage Program

Chapter 2: Food and Beverage 101

Section 3: Navy Food and Beverage Program

Chapter 1: Introduction to Navy Food and Beverage Program

1.1 What is the Navy Food and Beverage Program?

The Navy Food and Beverage (F&B) Program (N923D) is part of the Entertainment Services Branch (N923) and is one of the main revenue-generating programs in Category C (CAT C). MWR operates F&B facilities ranging from full-service clubs, conference and catering centers, to quick-serve restaurants on Navy installations worldwide with more than 400 establishments currently in operation. Clubs, snack bars, casual dining, pubs, coffee shops, and conference and catering centers are just a few of the F&B venues offered both on and off base. All personnel eligible to use MWR facilities are authorized to eat in our F&B facilities.

Navy MWR F&B Programs are customer-driven business activities. As a business activity, Navy MWR targets opportunities that produce profits to finance other mission essential and community support programs. These programs are essential in order to sustain a wide range of non-income producing services as well as helping to promote the quality of life and retention of military personnel and their families.

1.2 Food and Beverage Program Vision

The vision of the F&B Program is to maximize the value delivered to Sailors, their families and all other eligible patrons every day by combining the highest quality of fresh food with great service. CNIC N923D's mission is to provide policy, oversight and installation-specific support for the Navy F&B business operations.

1.3 Operational Guidance

The operative Navy instruction governing the MWR F&B Program is CNICINST 1710.3, Operation of Morale, Welfare and Recreation Programs; specifically, Chapters 21 and 25. You should become familiar with the contents and requirements, as you will use them in your day-to-day operations. Additional guidance, such as CNICINST 4061.5, Employee Meals; CNICINST 7000.3, Accounting Procedures for Navy Non-Appropriated Funds; CNICINST 5300.2, Non-Appropriated Fund Personnel Manual; CNICINST 1710.4, CNIC MWR F&B Brand Support Guidance; and other guidance, policies and Standard Operating Procedures (SOPs) issued by N923D are located in the ***MWR e-Library Guidance folder***.

1.4 Headquarters Field Support

The headquarters F&B staff is standing by to assist you in solving operational challenges in any MWR F&B operation. Depending on the situation, the support provided may be via email, phone or an on-site visit. The process to request support follows.

1. Download and complete the Food & Beverage Activity Pre-Visit Data form. The form can be found in the ***MWR e-Library Reports folder***.
2. Send the form via your chain of command to the CNIC F&B Program manager for review.
3. N923D staff will review your data and send an initial assessment and any recommendations to you as soon as possible. A recommendation may be for an F&B Program team member to visit the site.

1.5 Navy Food and Beverage Business Lines

MWR operates a variety of establishments including clubs, cafeterias, snack bars, quick service restaurants (QSR), fast casual dining, casual dining, essential station messing (ESM), and mobile kitchens.

Most F&B operations will have several departments rolled under their cost center. Departments may include food, bar, catering, G/A (overhead), UFM, bulk sales, and annexes. Some operations will have multiple outlets under the same roof. In this case, all of the MWR F&B activities must have individual cost centers. This allows management to pinpoint where operations vulnerabilities occur.

1.5.1 Clubs: Clubs are MWR facilities primarily engaged in providing full-service food, beverage and entertainment services to authorized patrons and may be limited to specific military ranks. Clubs are MWR operated and can contain multiple functions such as full-service dining, ala carte and buffet service, carryout, delivery, catering services, and full-service bar operations in combination with entertainment offerings such as bingo, slots and gaming (pool, darts, etc.).

1.5.2 Fast Casual: A fast casual restaurant is an intermediate concept between fast food and casual dining. Fast casual does not offer full table service but offers higher quality food than fast food restaurants with fewer frozen or processed ingredients. Fast casual restaurants offer the ease and convenience of fast food with a more inviting sit-down atmosphere. Orders are placed and paid for, and customers are typically given a pager that provides notification when the food is ready for pick up. Commercial examples of this type of food service are Panera Bread, Chipotle Mexican Grill and Five Guys. These operations may or may not offer alcoholic beverages.

1.5.3 Quick Service Restaurants (QSR)/Fast Food: QSR primarily serve fast food with an emphasis on speed of service, and the patron pays for the food at the counter prior to consuming it. Commercial examples of this type of food operation are Taco Bell, Subway, McDonald's, and KFC. Alcoholic beverage may be offered in a limited capacity.

1.5.4 Casual Dining: Casual dining is best described by concepts such as TGI Fridays, Applebee's and Chili's. Casual dining has higher price points, provides full table service and offers menus with a much wider range of choices than fast casual and QSR formats. Ambiance varies considerably, but the quality of the interior, walls, floors and ceilings are more appealing than QSR standards. Most casual dining concepts offer full bar service.

1.5.5 Essential Station Messing (ESM) Feeders: Formerly known as Rations in Kind (RIK) and/or Sustenance in Kind (SIK), this restaurant is a revenue-generating activity that is open to active-duty authorized patrons, civilians and official base guests. ESM eligible groups include approved ESM meal redemption, active-duty personnel, and Reservists not on BAS. ESM programs are subsidized and traditionally receive APF. These establishments are required to offer dining options that include ala carte, buffet or full service for three-day parts (breakfast, lunch, dinner) during the week and two meal periods during the weekends. Select ESM establishments may also provide midnight rations and/or box meals. The purpose of an ESM Feeder Program is to provide high-quality, essential meal service for ESM Sailors and other patrons efficiently at the least cost while maximizing benefits from quality of life initiatives. ESM departments that wish to establish an ESM Feeder Program must route their request through the CNIC N925 office for coordination and approval. For more information about this food service program, please refer to the ESM desk guide, which is available in the ***MWR e-Library Guidance folder***.

1.5.6 Cafeterias: Cafeterias offer food in a traditional tray service food line. Food options include entrees, vegetables, starches, desserts, and sometimes a salad bar. Patrons pay at the end of food selections before seating themselves.

1.5.7 Concessions: Concessions provide snack style, fast foods that include candies, chips, non-alcoholic beverages, popcorn and simple convenience items such as hot dogs and nachos. Tableside service is not offered, and limited cooking equipment is used. Full kitchen areas are not available in these operations. Examples of this type of operation are located at pools, ballfields and movie theaters.

1.5.8 Mobile Kitchens: Mobile kitchens provide meals, snacks and beverages for immediate consumption from an MWR motorized vehicle. This entity services patrons through a designated motorized route with stops at predetermined times and locations.

1.5.9 Catering: Catering is operated in an MWR facility providing F&B services for private/single based events such as banquets, weddings and private parties both on and off the installation for authorized patrons. Catering & Conference Centers are used for meetings, trainings, special events, and conventions. Chapter 4 has additional details about the MWR Catering Program.

1.5.10 Beverage Outlets: These establishments are primarily engaged in preparing, providing and serving beverages for immediate consumption, and may or may not be national brand name franchise concepts (e.g., Starbucks, Smoothie King).

1.5.11 Temporary Food Operations: These are establishments that operate for a period of no more than 14 consecutive days in conjunction with a single event or celebration. Octoberfest, 4th of July, or ship visits that are set up away from the permanent food establishment are examples of temporary food establishments. An organizational food event that is open to the public on the installation and involves the preparation or sale of TCS* foods shall have the foods and associated controls reviewed by the installation regulatory authority prior to the scheduled event. Recommend using a Temporary Food Event Coordinator's application (DD form 2975) by designated event coordinators when two or more temporary food establishments will be included at the venue. A certified Food Service Manager (PIC - person in charge), plan review and approval, and preoperational and reoccurring sanitation inspections are required for temporary food operations set up for events. Details can be found in the Tri-Code Food Service 5010-1, Chapter 10.

**TCS (time/temperature control for safety) is defined in terms of whether it requires TCS to limit pathogen growth or toxin formation.*

1.5.12 CNIC Branded Food Concepts: These F&B operations are CNIC HQ developed self-operated internal brands that are located in MWR facilities. Internal brand operations are based on franchise business models of similar food service corporations and provide fast casual food service with an emphasis on food quality and speed of service. Table service is not offered, and alcoholic beverages may be sold. MWR internal brands are guided by CNICINST 1710.4 and supported by N923D HQ as well as a contracted brand support food company.

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Did you know that MWR receives 100% of the net income from internal brand operations?

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1.5.13 Contracted National Brands: There are more than 100 national branded concepts operated on Navy installations, and all of these operations are contracted in one of three ways:

a. Navy Exchange Service Command (NEXCOM) contracts for MWR and the operation is run by a contractor. These establishments are often national brand name fast food franchise concepts whereby MWR receives a portion of the revenue or profits. The contracting officer's representative (COR) on this type of contract is an MWR designate;

b. NEXCOM contracts their own locations such as the exchange food courts (e.g., Taco Bell, Five Guys, Subway, McDonald's, KFC, Pizza Hut, Burger King); or

c. MWR contracts through NEXCOM and operates the business. MWR pays a franchisee fee to the corporation.

Note: *See chapter 5 for additional information regarding CNIC branded concepts*.

1.5.14 Bar Operations: These establishments are primarily focused on preparing, providing and serving alcoholic beverages for immediate consumption. Bar operations may be imbedded within an activity or be stand-alone.

Chapter 2: Food and Beverage 101

We know that "every decision you make is a financial one." To help you manage a successful operation, CNIC N923D has developed performance measurement tools created and/or formatted for Navy MWR F&B. A few of the tools available include menu engineering (evaluation of the financial performance of a menu), recipe cost cards (standardized with ingredients, ingredient costs and preparation methods), and a weekly Flash Report (sales information and labor/ cost information) to illustrate real-time financial performance ahead of SAP reports and labor forecasting (scheduling tool to match schedules to sales levels throughout the week). Requirements from CNICINST 1710.3 are listed below for F&B operations.

1. Quarterly evaluation of menu prices compared to the cost of ingredients on standardized recipe cards updated at the time of evaluation.
2. Monthly financial analysis of performance variance to the approved budget.
3. Annual review of all F&B Programs to determine cost effectiveness. This includes a menu engineering analysis using the CNIC HQ N923D approved tool.
4. These reports are archived in the business office for review by the fiscal oversight team during site visits.

Successful managers are familiar with their program financials. F&B operations are required to reach a minimum of a break-even point where expenses are equal to revenue; however, the desired profit from each F&B operation is 5-10%. These profits are used to help fund all MWR operations. For this reason alone, it is vitally important that F&B operations are profitable to help support the overall MWR mission.

You should have access to SAP and review your financials on a continuous basis – specifically, the gross income and cash flow. Additionally, understanding and using Kronos or other authorized timekeeping programs and an integrated inventory program are pertinent tools to secure your financial success. Access to all three programs is crucial to monitoring budgets and timecards, and assures each expense is charged to the correct cost center and G/L account. Additionally, each of these platforms should be accessed on a weekly basis and scrutinized at the end of each month to ensure all expenses are in the proper place.

2.1 Cost of Goods Sold (COGS)

COGS is a mathematical calculation that measures the direct cost incurred in producing products that are sold during a particular accounting period. This begins with the creation of a recipe, establishing specific raw ingredient specifications, completing a standard recipe card with ingredient costs, and then establishing a fair price that will provide the required profits to remain in operation.

The calculation for determining the cost of goods sold during a month is as follows:

1. Start with the beginning inventory value that equals the ending inventory value of the previous month.
2. Add all F&B purchases during the month (total of all invoices).
3. Subtract the ending inventory.
4. Add or subtract any valid adjustments (e.g., employee meal credits, mess requisitions to or from other units, spoilage*). *MWR operations only account for spoilage caused by mechanical failure or delays in OCONUS shipping causing food and beverages to expire before use.
5. This calculation equals the cost of food expressed in a dollar amount. To determine the COGS percentage, divide the COGS dollars by the revenue dollars and then multiply by 100. This will provide the food cost/ beverage cost for the month.

Example:

	take your beginning inventory		$75,000
add (+)	any purchases/transfers	+	$50,000
equals (=)	total available to be sold		$125,000
subtract (-)	your ending inventory	–	$72,000
subtract (-)	spoilage, transfers out, employee meal costs	–	$275
equals (=)	the product used		$52,725
divide (÷)	your total sales	÷	$150,650
equals (=)	the cost of goods sold %		.35x100=35%

It is vitally important that an accurate physical inventory is taken and provided to the business office for use in determining the monthly food cost. Purchases and transfers must be applied in the period the transaction occurred. A poorly managed food cost can result in failure to meet the financial standards and over time may possibly put the activity in a red flag status.

2.2 Recipe Cost Cards

It is important to know how much a menu item costs, but with so many ingredients in a recipe, it can be difficult to determine the true costs. To calculate the food cost, you need to know the cost of your ingredients along with how much of each ingredient is used. Additionally, with prices going up daily, you need to know the total cost of every recipe of every item on your menu so you can add the appropriate markup. The cost is updated each time the price of ingredients is changed. This is done automatically if the activity is using an inventory software database where the invoices/receipts are entered into the database. Manual cost cards are only accurate when they are created unless the cost of the ingredients is updated as the costs change.

Recipe cost cards are useful to both management and kitchen staff, as they contain both preparation and cost information. Also, adjusting the ingredient cost for the amount yielded is important. The yield is the cost of the purchased item after you have trimmed it, cooked it, and shrinkage is applied. How much is left after you have trimmed the food is known as trim yield. How much food was produced after cooking (e.g., cooking prime rib) is known as cooking yield.

Correct measurement is the key to building the recipe cost card. One of the most common mistakes in cost card creation is the confusion about fluid ounces and ounces. Fluid ounces are measures of volume; a volume refers to a space, not a weight. When talking about volume as in a tablespoon, cup or gallon, the ounces they contain are fluid ounces. That tells you how big the space is. For instance, a cup equals 8 fluid ounces no matter what food is in the cup. The ounces that we measure by weight are simply called ounces. One American pound equals 16 ounces; one American ounce equals 28.349 grams. How much a volume of food weighs, such as a cup of sour cream, is called an equivalent measure.

Finally, adding the Q factor to the cost covers non-revenue items that may not be included in the cost card such as condiments, waste, accompaniments (salt and pepper, bread and butter), and/or cooking medium. A typical Q factor is approximately 1% to 5% of the cost. It is important to remember that each restaurant's Q factor is different, and there is no absolute standard. The F&B manager determines the appropriate percentage and the application for their operation.

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Don't forget to add the Q factor!

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Input from the competitive price survey and review of current menu pricing, along with the raw cost of preparing a menu item, will drive your pricing strategy. Packaging is a supply expense and should be considered when determining the price of an item. Not all items on the menu will have the target COG percentage; however, the overall menu mix should hit the target COGS.

Once a recipe/cost card is completed, adherence to the recipe is essential in meeting your COG goals. Incorrect portion control is one of the simplest ways to negatively affect your COGS. Portion control must be continuously monitored and match the recipe standard. See below for a completed recipe/cost card.

Menu Item : **Gulf Coast Crab Cakes**
Classic lump crab meat blended with onions, spices and breading

Recipe Unit	Quantity	Ingredient	Unit Cost	Extension
EA	2	Crab cake patties	1.53	3.05
OZ-fl	2	Tartar sauce	0.07	0.14
EA	.5	Lemons - fresh (medium)	0.48	0.24
OZ-fl	.5	Butter	0.10	0.05
EA	1	Plate cost (Q factor)	0.30	0.30
			Total Cost	**3.78**
			Menu Cost	**10.95**
			Gross Profit	**7.17**
			Food Cost %	**34.53%**

2.3 Cost Control

Cost control is the practice of identifying and reducing business expenses to increase profits while maintaining the desired quality of products and services. Cost control starts with the budgeting process. You, as the F&B manager, will monitor, evaluate and compare actual results to the budget expectations, and if actual costs are higher than planned, you will take immediate action to get back on track. Additionally, it is important for F&B managers to review their financial statements in SAP each month and validate that expenses charged to the program are accurate. This requires managers to “drill down” into the actual line items posted in each general ledger (GL) account to determine if the expenses are indeed your program expenses. Cost control typically includes:

(1) Investigative procedures to detect variance of actual costs from budgeted costs.

(2) Diagnostic procedures to ascertain the cause(s) of variance.

(3) Corrective procedures to effect realignment between actual and budgeted costs.

If COG targets are not achieved, the reason is normally one of the items listed below. Start with this list to determine the reason.

1. Poor inventory practices. Items not counted, pack sizes recorded incorrectly, cost errors, and cost extensions containing errors are a few examples of poor inventory practices that will affect the accuracy of the cost of goods. Recommend using an automated inventory software to cut down on these types of errors.
2. Waste. Every restaurant experiences some degree of waste. With that said, waste is a controllable expense. Waste should be tracked and recorded by category (i.e., customer returns, kitchen mistakes or spoilage). Spoilage is defined as food that is not usable due to equipment failure or expiration; spoilage must be documented by your local food service preventative medicine team if you want to move the cost of the spoilage out of cost of goods. Analyzing waste will help to account for variances between ideal and actual food cost.
3. Portion Control. Poor portion control is one of the leading causes of food cost variances. Portion control strategies include the use of portioning utensils, scales, measuring spoons, and cups. Pre-portioning using portion bags and scales is an effective way to control portions.
4. Receiving Challenges. Poor receiving practices can lead to increased cost. Use a scale to check weights; be sure to count everything and cross check with the invoice. Use purchase orders when receiving products to ensure you are getting the correct quantities at the correct price.
5. Theft. Inventory theft is one of the hardest things to catch. Operators who regularly take inventory are more likely to spot inventory shortages. Poor POS controls also contribute to theft opportunities.
6. Unrecorded Sales. Menu items served without going through the register will cause an increase in COGS. Make sure nothing is prepared and leaves the kitchen without a kitchen chit. This will not only prevent unrecorded sales; it also makes it harder for the service staff to underreport cash sales.
7. Accounting Error. Always make sure revenue and purchases are recorded correctly in the correct accounting period. An invoice that was recorded incorrectly or not at all may cause accounting errors, or the end of month inventory was counted incorrectly or has a mismatched inventory unit.
8. Outdated Menu Cost. Review your menu item cost of goods and see if price adjustments need to be made.

Courses such as ServSuccess Cost Control Fundamentals, Fiscal Oversight for Managers, and Manage First Controlling Food Service Costs provide additional information in cost control.

2.4 Cash Control and Audits

Cash is MWR's most valuable liquid asset and should always be handled in a safe and secure manner. In all business entities, cash is a high-risk asset and vulnerable to fraud. Having strong internal controls in place and ensuring employees comply with them is a top priority, and individual accountability for all cash, including cash receipts, change funds and petty cash funds, should always be maintained. FFR N94 has developed best practices to ensure MWR funds are handled securely, including separation of duties, dual controls, transporting cash, overages and shortages, and counterfeit money handling, to name a few. Additionally, audits of cash handling processes and controls occur on a regular basis to ensure MWR funds are safeguarded. All cash handlers need Cash Handling training before being assigned to a cash drawer. Training is available in two formats: classroom training and the on-the-job training mode. Contact your FFR training and performance improvement specialist (TPIS) or installation training coordinator to schedule training. Participant materials for the Cash Handling course can be found in the ***MWR e-Library Training folder***.

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The term cash includes currency, coins, checks, and credit card receipts.

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2.5 Labor Forecasting and Staffing Your Operation

Providing great customer service and meeting labor cost standards requires the proper number and mix of employees. Scheduling too many employees means high labor costs, while scheduling too few workers can turn customers away. Food and labor are the two largest general cost categories for a typical F&B operation. Food, liquor and labor costs together are known as the prime cost. Prime cost is a key number in restaurants. It is the grand total of your total cost of goods sold, which includes both food cost and liquor (also known as pour cost), and the total labor cost. Typically, the cost of F&B is about one-third of the sales dollar; salaries and wages account for another one-third or more. Keeping those costs at a level that actually yields a profit is a constant challenge for our managers.

One of the biggest challenges our managers face is forecasting the number of employees needed for their operation. Accurately planning staff schedules can take up hours of management's time each week but is crucial to your operation's financial success. Scheduling is a combination of art and science. To create the most efficient staff schedule for your operation, you must be able to accurately forecast the revenue. During each shift, you must monitor the revenue and staffing to make necessary adjustments in real time. Holidays, seasonal adjustments, advertising and promotion, community activities, and the economy can affect operational requirements. For sites that are located at a training base, or have a large military population that deploys, knowing their departure/arrival days is essential for developing the optimal work schedule.

2.5.1 Labor Cost Forecasting Model and Key Concepts

Productive Hour: Any hour worked by an employee to include any overtime worked hours. Sick and annual leave do not create units of production, and those hours are deducted from paid hours to reach this number.

Cost Per Productive Hour: Total payroll cost, including all regular pay, premium pay and all benefits divided by productive hours.

Net Revenue: Total income from operations to include sales and other operating income.

Net Revenue Per Productive Hour: Net revenue divided by productive hours.

Labor Percentage: Actual labor expense divided by net revenue.

Key concept #1: Definition of Productivity

How much net revenue is earned per one labor hour? This is the measurement in dollars based on your labor productivity compared to your net revenue. Productivity = net revenue divided by labor hours.

Example: *Total net revenue for the month of June: $123,036*

Total productive hours for the month of June: 2,576 hours

$123,036 ÷ 2576 = $47.76 per labor hour

The facility earned $47.76 net revenue per one labor hour in June.

In order to forecast productive hours, the net revenue needs to be estimated. Based on the historical data, current operational status, current trends and the budget, the net revenue should be projected – the forecasted customer count multiplied by the amount of the average guest check of the same period of last year.

Based on the forecasted net revenue, the allowable labor cost should be calculated. Allowable labor cost indicates the desired amount of labor cost for the time period in order to meet the desired net profit. The following information is needed to calculate the allowable labor cost:

1. Forecasted net revenue
2. Desired % of net profit
3. YTD cost of goods %
4. YTD other operating expenses %
5. Cost per productive hour

The following example demonstrates how to calculate forecasted labor cost.

Assumptions: *Net revenue = $100,000*

YTD COG = 35%

YTD other operating expenses = 7%

Desired profit = 10%

Cost per productive hour = $20

Financial Element	Percentage	Dollars
Revenue		$100,000
COGS	35 %	$35,000
Other Operating Expenses	7 %	$7,000
Net Profit	10%	$10,000
Payroll Expense (35 + 7 + 10 + X = 100)	48%	$48,000
Total	**100%**	
Average Cost of Labor Hour		**$20**
Allowable Hours of Labor		**2,400**
48% of $100,000 = $48,000 of payroll expense		
Labor cost of $48K divided by average cost of labor per hour of $20.00 = 2,400 allowable hours of labor to achieve profit of $10K with $100K net revenue		

Using the allowable labor cost, calculate the projected total productive hours for the month. A projected total productive hour is allowable labor cost divided by cost per productive hour. The total productive hours represent the total labor hours that management should schedule for the month.

Labor should be charged to the department code where the work was actually performed. In instances where employees work in multiple departments, use reasonable judgment to appropriately prorate the labor to the department codes that reflect where the work actually took place. Contact your business office for information on how to process labor transfers.

The next step in creating a staffing plan is to determine the variable and fixed labor requirements. Fixed labor costs are the expenses that do not fluctuate with changes in production level or sales volume. This is the labor needed to open the doors of your operation. Variable labor expense is driven directly and proportionately to changes in the operation or sales volume. Once you determine the requirements of the operation, you must understand how to schedule the staff according to their particular position pay rules.

Human Resources (HR) management administration of NAF employees is based upon the principles and authorities contained in applicable Department of Defense (DoD), Secretary of the Navy (SECNAV), Department of Navy (DON), and Office of the Chief of Naval Operations (OPNAV) regulations, manuals and instructions as well as applicable public statutes, pertinent executive orders and specified OPM directives (CNIC 5300.2.103). There are two general categories of U.S. employees: white collar (NF) and crafts and trades (NA). Each category of employees follows different rules for pay setting, earning overtime, and comp time, night differential, and Sunday premium pay. APF (GS and WG personnel) and local national (LN) and foreign national (FN) staff also have different rules regarding pay setting, earning overtime, comp time and benefits. Please contact your local HR office for details if you have any APF or LN/FN staff members on your team.

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Labor forecasting helps to control labor scheduling to match the upcoming week's business volume.

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2.6 Budgeting

While budgeting and SAP management may not be the most exciting piece of managing an F&B activity, being fiscally responsible is a very important part of program and management success.

Developing a business plan for your operation is a great way to start planning your budget for the upcoming year. The business plan will identify the mission and vision, strengths, weakness, opportunities and threats (SWOT), and help set the annual goals for the operation. A business plan will include a detailed action plan on how the goals will be met. Action plans should focus on programming to increase patronage, increase revenue, and maintain and/or improve facilities and operations.

Facility reinvestment is essential for program growth and infrastructure maintenance. A well-thought-out capitalization plan with thorough justification showing a positive return on investment is a significant part of the budget submission.

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The NAF budget is normally due in the third quarter of the fiscal year.

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A review of your monthly financial analysis will provide insight into previous budget variances and assist in more accurate forecasting for the upcoming fiscal cycle. The review of historical information along with the vision for the future will create the roadmap for a realistic budget submission.

The final step in the budget process is the budget narrative where you tell the story of operation and your vision for the upcoming fiscal year. If you have not done so already, meet with the TPIS or installation training coordinator to schedule your attendance in the next budgeting class.

2.7 Menu Development and Evaluation

In many ways, the menu is the glue that holds an operation together. While the actual mix of items on the menu plays a critical role in informing customers, so does the presentation of your menu. The menu is the first impression of your F&B operation. It is essential that your menu is well designed and professionally presented. The menu serves as a driver of customer interaction, informs pricing and offerings, defines the style of a business, and establishes boundaries of what can be expected in your operation. If food photography is used on menus/menu boards or in marketing materials, make sure the photo is an accurate representation of the item. Allergen and/or undercooked egg/meat disclaimers should be included on the menu. Along those lines, notations identifying dietary categories (gluten free, vegetarian, dairy free, vegan) have become standard on menus today. The menu drives what supplies you order, how you source ingredients, and how you train staff. The menu should also represent current trends in contemporary offerings while providing healthy options to our Navy community.

When developing your menu, you will need to research culinary and business trends and gather customer feedback. Find out what your competition is doing, including the galley. Customer surveys provide meaningful data that will indicate the wants and needs of the population served. Get in touch with CNIC HQ N923D for survey tools to help you with gathering customer feedback.

Menu creation is a balancing act of determining the number of offerings, cross-utilizing ingredients and knowing the limits of your production staff. F&B managers are responsible for developing nutritionally sound menus that reflect patron desires, represent the image and desired atmosphere of the facility, and represent the geographical location and population on the installation.

Pick up a menu the next time you are eating out. The odds are that your eyes will drift to the upper right corner of a single or two-page menu, or to the center of a trifold menu. If the menu is presented on a menu board, the focus will be first at the top and then the bottom of the menu board. Restaurateurs know this, and that is why they often list their most profitable dishes in those locations.

2.8 Menu Pricing Strategies

Prior to evaluating menu prices, operators should develop accurate recipe cost cards, implement reliable and responsive cost of goods controls, evaluate the purchasing systems and inventory procedures, conduct relevant kitchen training, and implement sound management techniques and responsive evaluative programs.

Historically, the measurement of success in the MWR operating model has relied upon achieving results within predetermined "financial standards/percentages" that are generally expressed within the CNICINST 1710.3 as a percentage of sales (cost of goods sold below 40%, or breakeven, etc.).

CNICINST 1710.3, Chapter 25, Section 2502.a, represents acceptable performance guidelines, not pricing guidelines. The financial standards guidelines listed below are part of an overall mix and should not be confused with a formula for pricing individual products. Rather, these guidelines represent a desirable overall percentage to help achieve the desired net profit.

The chart below represents the CNIC MWR financial standards guidance for food service operations.

Operation Type	COGS	Labor	OOE	Net Profit	Total
Full Service	38%	40%	20%	2%	100%
Catering	32%	40%	20%	8%	100%
Fast Casual	38%	37%	20%	5%	100%
QSR/Fast Food/Smoothie	35%	37%	20%	8%	100%
Beverage - Coffee	30%	35%	25%	10%	100%
RIK - Civilian	36%	40%	17%	7%	100%
RIK - Active Duty	100%				
Cafeteria/Buffet	40%	37%	17%	6%	100%
Mobile/Food Truck	35%	35%	25%	5%	100%
Convenience Food Resale (i.e., Pools, Ballfields, Liberty Centers, Fleet Recreation Centers)	50%	30%	15%	5%	100%
Bar Operations	25%	40%	20%	15%	100%

Alcohol	COG
Overall Target	25%
Beer - Bottle/Can	24-28%
Beer - Draft Domestic	15-18%
Beer - Draft Premium/Craft	20-25%
Spirits	18-20%
Wine	35-45%
Bar Consumables	4-5%

Unfortunately, using the financial guidance as a pricing strategy puts the focus on the achievement of those key percentages as the true barometer to measure success while overlooking the net operating results achieved. This philosophy is known as "cost-multiplier formulation."

A pricing strategy based on cost-multiplier pricing formulas alone may be dangerously simplistic and inadvertently counterproductive to profitability. Because food service management has been conditioned to view profitability synonymously with cost of goods sold percentages, contribution margins per item often are omitted from the menu analysis and pricing strategy. The truth is, while food cost is an important measure of cost management, it is more of a tool for waste reduction than the maximizing of profit. Additionally, cost-based multiplier methods ignore the most critical principle of marketing: the consumers' perception of value.

There is no direct relationship between an item's food cost percentage and its contribution margin (CM) to profit. CM is the difference between the item's price and the item's cost. As an example, a restaurant sells 20 steaks at $16 each with a cost of $8.64 per steak and sells 20 hamburgers at $7 each with a cost of $2.45. The COGS for steak is 54%. The COGS for hamburger is 35%. The daily CM for steak is $147.20. The daily CM for hamburger is $91. As evidenced by this example, a lower food cost percentage does not always indicate increased profitability.

Menu Item	Plate Cost	Menu Price	COGS	CM	Quantity Sold	Profit
Steak	$8.64	$16.00	54%	$7.36	20	$147.20
Hamburger	$2.45	$7.00	35%	$4.55	20	$91.00

Cost-multiplier pricing techniques can artificially force menu items to a price level where they become non-competitive and therefore dysfunctional to the menu mix. In the above example of the steaks and hamburgers, the overall COGS is 48%. A target COGS of 35% would require to price the steak at $24.00 to match the target. This would likely reduce the sales volume of the steak, which is the higher CM item. Clearly, the operation is much more profitable selling steaks rather than hamburgers, so knowing how to design a profitable menu is really the "engineering" of menu engineering!

Every menu will project an ideal food cost percentage that management will aim to achieve. This ideal food cost percentage will vary among restaurants due to the sales mix of the menu and therefore may be difficult to evaluate. This may be cited as one of the major weaknesses of traditional cost-multiplier pricing techniques. Two restaurants serving identical menus may derive significantly different food cost percentage results due to the different menu mix.

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Remember: You bank the dollars, not the percents!

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2.8.1 Menu Engineering: An alternate method to the cost-multiplier pricing strategy is menu engineering. Menu engineering ignores the question, "What is a satisfactory food cost percentage?" and instead asks, "Is the restaurant getting a reasonable contribution to profit from its menu mix?"

Menu engineering focuses on three essential elements in the pricing decision: customer demand, menu mix analysis, and item contribution margin.

- Customer demand: refers to the number of patrons dining at a particular establishment at a point in time,
- Menu mix analysis (also known as sales mix): identifies the percentage of customer demand attributable to each competing menu item, and
- Contribution margin: the most critical element to pricing because it deals specifically with each item's profitability – not as a cost of goods percentage (COGS), but as a contribution to profit margin. The use of the word contribution emphasizes the number of dollars remaining after paying an item's direct food cost. Hence, the higher the margin, the more desirable it is to sell.

Remember, percentages serve as important managerial controls and provide feedback on operations that cannot be otherwise monitored. Menu engineering involves cost percentages in an evaluative capacity but does not rely on percentages as a basis for a successful pricing.

The process of menu engineering requires that you assemble some basic information about your menu including the number sold by item, plate cost, and item selling price. The Menu Engineering Worksheet provides all of the calculations required to categorize the menu content into four distinct categories or quadrants. The four quadrants are:

1. High volume + high margin = a “Star”
2. High volume + low margin = a “Plow horse”
3. Low volume + high margin = a “Puzzle”
4. Low volume + low profit = a “Dog”

It may help to view the quadrants another way.

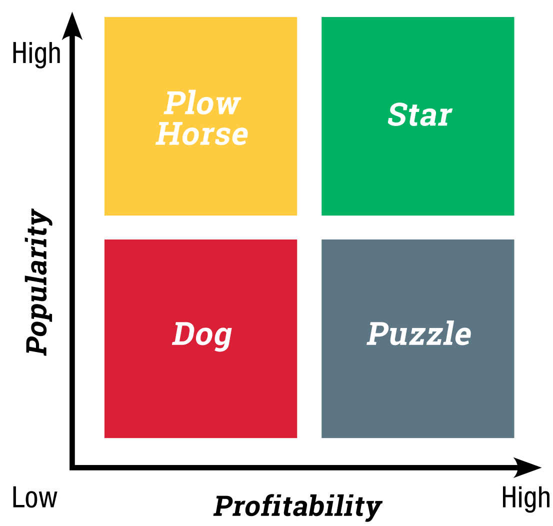
Quadrant 1: Stars is the success story; do not mess with it and carefully monitor quality and purchase price variations.

Quadrant 2: Puzzles needs sales stimulated to increase volume; specials and introductory items should start in this quadrant.

Quadrant 3: Plow horses are marginal contributors, so raise the price slowly.

Quadrant 4: Dogs are items that need to go away or get a price increase. Improve the quality or increase the price; otherwise eliminate, unless the ingredients are cross utilized elsewhere on the menu or the item fits a menu need (e.g., a vegetarian or healthy item).

Menu Engineering Matrix



If you are considering making menu price adjustments, it is strongly recommended that you consider the enormous benefit of using the resources available from the CNIC F&B Headquarters team, such as the Menu Engineering Worksheet (located in the ***MWR e-Library Samples folder***).

2.8.2 Competitive Pricing Strategy: All F&B activities will conduct an annual competitive price survey comparing at least three local competing operations. Any local operation that directly competes (price points, service style or menu content) with the program must be included in the survey. Annual surveys of off-base commercial, municipal, and/or private enterprises will ensure prices do not exceed the average prevailing off-base price for similar goods or services. You can find a competitive price survey template in the ***MWR e-Library Samples folder***.

2.9 Point-of-Sale (POS) System

Currently across the CNIC enterprise, the F&B Program uses multiple POS systems. RecTrac, Micros, Qubica (bowling centers only) and Caterease (catering) are used as business management tools for food, beverage and resale sales. The POS provides quick service to the customer, records revenues, archives menu selections, and provides cash control.

CNIC N923 and N94 IT must authorize your POS system to ensure it meets the DON standards to operate in our military environment. Ideally, the POS software will interface with SAP to decrease manual Daily Activity Report (DAR) entries and increase accuracy and reporting capabilities.

The Payment Card Industry Data Security Standard (PCI DSS) refers to payment security standards that ensure all sellers safely and securely accept, store, process and transmit cardholder data (credit card information) during a credit card transaction. Any merchant with a merchant ID that accepts payment cards must follow PCI compliance regulations to protect against data breaches.

Operations and setup procedures for RecTrac can be found in the ***MWR e-Library Guidance folder***. You should have already received POS training but if you need additional guidance, meet with your FFR TPIS or installation training coordinator to arrange additional training.

2.10 Flash Report

A Flash Report is a quick snapshot of key financial and operational data that helps management access the key performance indicators of the F&B operation. The key data include revenue, food and beverage costs, labor costs broken out by day, and waste. In addition, the report tracks the top 10 revenue-generating items, average guest check, market events/activities that affected sales +/-, how much waste is experienced and the reason for the waste. With all of this information compiled in a quick and easy to use one-page report, the manager can make adjustments for the next day or week vice waiting for the end of month (EOM) SAP reports that close midway through the next reporting period, delaying corrective actions if required.

2.11 Food Presentation

Why is the presentation of food important? It's simple: You eat with your eyes first! Food plating and presentation are vital in enhancing the aesthetic appeal of food. Food presentation is often overlooked by chefs/cooks who are either too busy or more concerned with the taste of the dishes. However, you will find that the look of the food can be almost as important as the taste. Take the time to present your food in a fresh, appealing and appetizing presentation.

It is recommended that a plate presentation photograph is available for all menu items for both front of house (FOH) and back of house (BOH) staff members to ensure the food is presented properly and according to standards. Notations regarding dietary categories such as gluten free, vegetarian, dairy free, vegan and allergen concerns should be available as well so the staff can accommodate the guests' requirements with confidence.

2.12 Joint Services Prime Vendor Program (JSPVP)

Most people are familiar with the idea of group purchasing through businesses such as their local grocery store and their insurance company. The food industry uses the best practice to get the highest quality goods and services while keeping their costs as low as possible.

The JSPVP is a program coordinated by the Army, which the Navy has joined to enhance the buying power of its individual members to get the best possible prices and quality of products and services. The combined purchasing power of all the individual operators allows JSPVP to bargain with suppliers – gaining favorable pricing and first-in-line delivery when supplies are short. JSPVP participants receive deviated pricing and are eligible for a rebate collection program. Additionally, for food safety reasons it is important for our food operators to be able to trace their supplies. The JSPVP requires suppliers to provide product traceability and to provide product problem alerts to the program participants. Using the JSPVP as your purchasing department saves you a considerable amount of money and administrative/supervisory time compared to having your own staff do the price comparisons and food tracking. All Navy F&B operations should participate in the JSPVP. You can find the registration process and application to join JSPVP in the ***MWR e-Library Guidance folder***.

2.13 Establishing Par Stocks

In inventory, "par" is the level at which the stock is replenished. Setting the par allows you to keep enough inventory on hand so you do not run out of what you need. Many operations set the par at the daily sales level plus delivery time to ensure the business is never out of stock. To determine the par for an item you will need a beginning inventory amount, ending inventory amount, and total number of deliveries with the quantities ordered that occurred between inventories.

1. Calculate the average monthly usage by adding the beginning inventory amount plus the total purchases, then subtract the ending inventory amount. The resulting number is what was used this month.
2. Calculate the average usage between deliveries by dividing the average monthly usage by the total number of deliveries.
3. Calculate the minimum par stock level by rounding the average usage between deliveries up to the next full unit.
4. Calculate the maximum par stock level by multiplying the average usage between deliveries by 1.5, rounding up to the next full unit.

Par Stock Worksheet					
Inventory Item:	French Fries		**Purchase Unit:**	Case	
Beginning Inventory Amount:	8	Case	**Date:**	11/30/2019	
Ending Inventory Amount:	20	Case	**Date:**	12/21/2019	
Dates of Deliveries Between Inventories:			**Amount Purchased:**		
Date:	3-Dec		15		Case
Date:	6-Dec		20		Case
Date:	10-Dec		20		Case
Date:	13-Dec		20		Case
Date:	17-Dec		18		Case
Date:	20-Dec		15		Case
Date:	23-Dec		12		Case
Date:	27-Dec		20		Case
Date:	31-Dec		12		Case
Date:					Case
Date:					Case
Total Number of Deliveries*	9		**Total Amount Purchased**	152	Case
Average Monthly Usage:	140	(Beg Inv + Total Purch) - Ending Inv			
Average Usage Between Deliveries:	16	Avg Monthly Usage/Total Number of Deliveries			
Minimum Par Stock Level:	16	Avg usage b/t deliveries rounded up to next full unit.			
Maximum Par Stock Level:	23	Avg usage b/t deliveries multiplied by 1.5; rounded up to next full unit.			
**Remember to include any emergency purchases*					

Review and adjust the Par Stock Worksheet whenever the following occur: menu changes, pack size of item changes, overstock or understock is observed on a frequent basis, trends change, and special events. A sample Par Stock Worksheet can be found in the ***MWR e-Library Sample folder***.

2.14 Order and Delivery of Food and Beverage Supplies

F&B items should be delivered to the facility when an employee is on-site to verify accuracy of the delivery and invoice pricing and is available to stow the delivery in a secured or locked storage area. The eight steps for receiving deliveries include:

1. Delivery person brings products to receiving area.
2. Check products against the purchase order vice vendor invoice/bill of lading.
3. Check products against purchase specifications.
4. Check delivery quantity against the invoice and the purchase order.
5. Match invoice prices to purchase order prices.
6. If everything matches correctly, sign the invoice.
7. Put delivered products in proper storage areas.
8. Process paperwork in keeping with the operation's standard operating policies and procedures.

When putting away food deliveries, always follow the first in, first out (FIFO) product rotation guidelines (label, date, rotate) to ensure a product does not expire on the shelf. Remember to:

1. Order from an approved, reputable source. OCONUS locations require Army veterinarian approval for all local vendors.
2. Assure the product is delivered at the proper temperature.
3. Inspect the vehicle.
4. Mark items with the date of delivery.
5. Store items appropriately at the correct temperatures.
6. Observe FIFO.

Providing a positive experience for guests includes ensuring regularly offered menu products are always available for purchase and not sold out or expired. Contact your local MWR business office for proper procedures regarding product ordering and monthly inventory reconciliation.

Note that some inventory supplies have additional charges, such as for kegs, pallets or CO2 tanks. These additional charges are deposits and recorded to the prepaid deposit g/168100. The merchandise is recorded to inventory g/l 151000 or 152000 or goods in transit g/l 168001. The receivable will remain in the account until the kegs, pallets or CO2 tanks are returned to the vendor. The vendor will credit the next invoice or send a check when the items are received. If a check is received, a DAR should be posted to clear the long-term deposit receivable.

2.15 Food Safety

MWR follows the Tri-Service Food Code for all food service establishments on an installation. The Tri-Service Food Code mandates that a person in charge (PIC) is present at the food establishment during all hours of operation (Tri-Service Food Code 2-101.11(A)). The PIC requires the16-hour Food Safety Manager certification. For most operations, more than one certified PIC is needed to cover operating hours. All food handlers, bartenders, hosts, wait staff and counter staff require a minimum of four hours of initial food sanitation and safety training within 30 days of beginning food service duties (Tri-Service Food Code 2-503.11). These courses are available through ServSafe® from the National Restaurant Association and in some locations are provided by the installation's preventative medicine office (P-Med) instructors. MWR prefers the ServSafe® course and certification because it has a curriculum that is more closely tailored to commercial food service. The Tri-Service Food Code (2-501.11) requires a minimum of four hours of food sanitation refresher training annually for food handlers to reinforce training subjects identified in subparagraph (A)(2) of 2-501.11. Bartenders, hosts, wait staff and counter staff require two hours of food sanitation refresher training annually. Staff who prepare food such as plating salads or manage items on salad or buffet bars shall receive the same training as food handlers.

The Tri-Service Food Code, Chapter 8-402.12, specifies that the food service operation manager or PIC shall conduct daily self-evaluations to ensure compliance with their duties and responsibilities. The installation regulatory authority may require documentation of self-evaluations upon request.

A critical violation may exist if employees disclose they were never trained or counseled regarding their requirement to report or disclose health information, such as reportable illnesses and infections as specified in Tri-Service Food Code paragraph 2-201.11(A), and there is no record of training or counseling for employee health disclosure requirements. Satisfactory compliance may be documented by a signed acknowledgement by the employee, such as DD form 2971, Conditional Employee or Food Employee Reporting Agreement. You can find a copy of the Tri-Service Food Code in the ***MWR e-Library Guidance folder***.

Quality assurance of items prepared and served is the overall responsibility of the F&B manager. Managers must ensure the safety of food items served by properly supervising the flow of food through the facility. A Hazard Analysis Critical Control Points (HACCP) plan should be in place. The requirements of a HACCP plan can be found in the Tri-Service Food Code (8-201.14).

2.16 Growing Patronage and Revenue

Driving foot traffic to your location is imperative to the success of the operation. Therefore, developing an effective advertising, promotion and publicity campaign is a key element of your business strategy. MWR activities must communicate their presence and availability of goods and services they offer to as many potential authorized patrons as possible. Marketing research is critical when developing a business plan. Identification of market segments, competition and market demands ensures a solid foundation for planning and executing any operation. F&B managers should seek assistance from their local marketing office for assistance in conducting a full-scale needs assessment.

2.16.1 Business and Action Plans: All F&B operations must develop and implement comprehensive business and action plans. Business plans provide a comprehensive understanding of what is to be accomplished, while action plans provide a detailed plan on how it will be accomplished. Action plans should focus on programming to increase patronage, increase net revenue, and maintain/improve facilities and operations. They should be quantifiable, measurable and actionable. Action plans are intended to be living documents and should be updated as tasks are completed. Inefficiencies should also be addressed. An action plan template is located at ***Headquarters Team Site - HQ N9 Team Site - N92 Fleet Readiness Team Site - N923D MWR Food and Beverage - Shared Documents*** and in the ***MWR e-Library Guidance folder***.

2.16.2 Direct Command Outreach/Partnership with Other N9 Programs: Facilities must maximize net revenue-generating opportunities, minimize internal MWR and NEX competition, and enrich the quality of life for our Sailors, their families and other eligible patrons. It is very easy to collaborate with other MWR and CYP departments, participate in various committee events, create team-building programs for commands, and host/participate in base-wide events. After all, every event is better with food! It is important to know that MWR activities cannot profit from one another. Non-prepared items (i.e., bottles of water, cases of hot dogs, single use or disposable paper goods) are transferred at cost. Prepared items (i.e., pepperoni pizzas, fruit platters, cooked hot dogs, wings, etc.) are transferred at retail price. Ask your MWR business office for the guidance that addresses intracompany transfers.

2.16.3 Catering: Catering opportunities are possible in nearly any F&B food outlet. We are all familiar with Catering and Conference Centers, but have you thought about putting together catering packages that highlight your operation? Items such as bulk coffee, donuts and other breakfast pastries, or five-foot subs and potato salad, are items your potential customers are getting from your competitors! Catering is an untapped revenue stream for many F&B operations.

2.16.4 Category C Waiver: Another potential untapped market for savvy F&B operators is members of the local community. Per DoDI 1015.10, members of the general public may use MWR Category C programs on a continual basis when it is not prohibited by local government officials and community leaders, and the installation commander determines it is in the best interest of the command. Waivers are possible when existing CAT C programs have capacities in excess of authorized patron requirements.

Additionally, allowing the public to use an MWR CAT C facility is viewed as a win-win situation. Civilian use has minimal impact on the current MWR customers and is a way to strengthen the relationship between the military and surrounding community. The additional revenue will not only improve the program's financial status but also enhance MWR's ability to generate additional revenues for the operation and recapitalization of all MWR facilities on the installation.

Note: *CNIC N9 must approve all CAT C waivers.*

2.16.5 Advertising: As the manager, you have a wide variety of advertising tools at your disposal, both inside and outside the facility. The best forms of advertisement inside the facility are the menu board and television monitors (digital or LED is ideal). These can be updated easily and immediately and always look professional. Other advertising tools include the Navy MWR website, social media pages (Facebook, Twitter, Instagram, etc.), marquees and signage, and flyers/posters. You can use any or all of these promotional methods to get the word out to your customers. The main thing is to ensure the F&B Program is advertised in a professional manner to the fullest extent possible.

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Do you know that there are professionally made commercials for the internal brands? Look for them in the MWR e-Library.

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2.16.6 Promotions: These are incentive-oriented programs designed to increase patronage of an MWR activity or the sponsor of the promotion. Inside promotions are conducted by MWR activities to generate patron response, and sales are authorized provided all patrons are eligible and invited to participate. Expenses are charged to G/L 781 (Advertising and Promotion) (CNICINST 1710.3.111(a) (b)).

Outside promotions are designed to increase sales of a product or service offered by the agency or vendor and may be conducted in an MWR F&B facility if they meet the following provisions (CNICINST 1710.3.2124(a)):

1. Direct costs of the promotion will be borne by the promotion sponsor.
2. Any special event conducted at the same time as the promotion will be available to all eligible patrons.
3. All arrangements concerning the promotion will be via written correspondence. Sponsors seeking authority to conduct promotions must submit a written request to the MWR F&B manager in advance of the event. Any difference between the regular selling price and the promotional selling price will be reimbursed to the MWR F&B activity by a check from the sponsor.
4. While Navy MWR F&B activities are authorized to accept promotional items of minimal value such as clocks, lights, signs, oversized bottles and decanters, acceptance of such items should be held to a minimum consistent with the decor of the facility and in good taste. Promotional items will not be given to employees or their family members. To prevent accumulating a large inventory of such items, the manager is authorized to dispose of these items as door prizes. Disposal through a drawing is allowed if all authorized MWR F&B patrons are eligible for the drawing at no cost to them, and employees of the activity and their dependents are not eligible to receive any of the items (CNICINST 1710.3.2124(a)).

2.16.7 Complimentary Items: In keeping with private industry business practices, MWR F&B managers or designated representatives may extend complimentary F&B items (excluding alcohol) to individually selected patrons. This occurs when, in management's opinion, this act of goodwill promotes the MWR F&B activity and contributes to better customer relations and satisfaction (e.g., recognition of loyal patronage or support, remedy of a complaint). Consideration should not be extended to private or special interest groups and is apart from the established outside or inside promotions. Additionally, management will ensure that proper safeguards are in place to control expenditures. A written record of all transactions will be maintained (i.e., signed guest check or memorandum), and such expenditures will be charged to the advertising and promotion account (CNICINST 1710.3.2124(b)).

Note: *Commercial sponsorship and promotional events that do not meet the previously described requirements must be approved by the installation commanding officer or installation MWR leadership with the assistance of legal counsel. You can review commercial sponsorship requirements in section 1, chapter 2 of this desk guide*.

2.17 Publicity and Public Relations

It is important to be aware of all potential media avenues available to you for program publicity. You should establish and maintain contact with the base/regional public affairs and marketing personnel. Available channels usually include the base newspapers, AFRTS base radio, and CCTV programs. Be aware of the publication schedule, and provide regular updates of special events occurring in your operations. If your base has a radio station, ask to be a regular guest on the show to talk about upcoming events.

There may come a time where you are asked to speak at an event or be interviewed by the news media for comment (televised or in print material). First, you must notify your chain of command, public affairs office (PAO) and supervisor of all media contacts. You should not talk to news media without chain of command and PAO approval. This also includes talking with any news media that may reach out to you directly for an interview (or comment). If approved and you are allowed to speak in your official capacity, remember that you represent CNIC, your installation and the Navy as a whole.

2.18 Communication

In order to have a smooth running operation, management and staff must have clear and open lines of communication. One effective way of communicating is pre-shift meetings. Simply stated, the pre-shift meeting is a staff meeting held prior to the start of a new work shift. The objective of a pre-shift meeting is to create consistent products and services for patrons. The pre-shift meeting establishes the performance standards and expectations for the staff. Without consistent daily reminders of what you expect and are trying to achieve, the staff can drift off course from the vision of the establishment. The meeting provides an opportunity to ask questions and solicit clarification regarding your expectations. The pre-shift meeting keeps the entire staff working toward common goals and can include micro training, demos and tastings. Another benefit associated with the pre-shift meeting is that it builds teamwork and camaraderie with the entire staff.

A successful pre-shift meeting requires planning and organization. The goal is to present the information in a clear and concise manner and to ensure that you cover everything necessary. Most of the topics covered at the pre-shift meeting revolve around food, beverage and service issues. Both back of the house (BOH) and front of the house (FOH) staff should be included. While many managers consider the meeting geared to staff members that deal directly with the guests, including BOH employees provides an important perspective to issues and eliminates FOH versus BOH mentality. At pre-shift meetings, discuss the anticipated daily sales volume, provide an overview of daily specials, promotions and “86’d” items, recognize exemplary teamwork or performance, ensure proper appearance and preparedness, and discuss staffing levels and training issues. Try to hold the meeting in the same area of the facility each time so the staff knows where to report for the meeting. Lastly, have your staff stand so you can see if their uniforms and grooming meet your standards.

Managers and staff who excel in daily pre-shift meetings tend to be more knowledgeable of the operation’s profitability, shift preparedness and customer satisfaction.

2.19 Financial Analysis

It is important to analyze the actual financial performance of your operation. At the end of each month, you should be prepared to brief your immediate supervisor, MWR director, site manager or higher-level leadership about your program or cost center financial condition. SAP (Systems, Applications, and Products)/AIMS (Accounting and Information Management System) is the accounting database used to record MWR financial transactions. SAP/AIMS provides a wide variety of reports to support your analysis. SAP/AIMS data can help you make sound, effective and informed operational decisions to improve the quality, effectiveness and the bottom line of your program and cost centers.

When you look at a profit and loss (P&L) statement you are looking at all income, all expenses and the resulting net profit/loss for a specified period. However, P&L data alone does not show how you are doing! Conducting financial analysis starts with reviewing applicable current month financial data. Year to date (YTD) financial data is compared to the YTD budget – how you are doing compared to where you planned to be. YTD financial data is compared to prior year YTD data – how you are doing compared to last year. Positive, neutral and negative trends are identified and the accounting data are examined to determine the cause(s). Unexpected dollar figures and/or percentage figures are identified, investigated, and explained or justified. Once the analysis is completed, corrective actions and/or management action plans are developed to reverse negative trends.

The reports and report levels you use will depend on your program, your area of responsibility and the purpose of your analysis. F&B managers typically use one or more of these reports:

Budget Performance Activity Report: This report combines budget data with a traditional profit and loss statement. It compares budget to actual, it lists performance as variance percentages, and it displays prior year actuals. It is the only SAP/AIMS report that presents the performance of all accounts of a cost center in one report.

Summary Operations Statement: This report is a detailed look at how your cost center/group is performing. It compares current results to prior period results and provides the net cash flow from operations. It also includes the plan (budget), actual, prior fiscal year, and variances for both current month and year to date.

Executive Summary Report: This is a quick, concise view of how your cost center/group is performing. This report is a summarized presentation of the current month and YTD income and expense amounts. It includes the plan (budget), actual, prior fiscal year, and variances for both current month and year to date. This report includes percentages of each area in relation to total revenue. The bottom line on this report matches the bottom line on the Summary Operations Statement.

Executive Summary Rolling 12 months: This report shows pertinent data from executive summaries for the previous 12 months.

NAF Budget by Category 12 months: This report displays budgeted amounts by month and by cost center.

Twelve Month Actual to Plan (Budget): This report divides the fiscal year into two groups: months one to six of the current fiscal year and months seven to 12 from the prior year. This report is used for preparing the future budget when not all of the data from the current year is available.

Chapter 3: Bar Operations

The products you offer are the heart of your beverage operation. A customer's first reason for using any establishment is that it offers products and services that satisfy their needs. Focus groups and surveys will help you make decisions about the type of beverages and entertainment /activities you should have in your program.

Remember: When selecting drinks, you have a responsibility to be sensitive to DON directives on standards of entertainment and ethics. Many drink names in the commercial sector do not comply with the standards established by DON policy. Avoid using sexist, vulgar or discriminatory drink names. In addition, you have a responsibility to ensure that customers use alcoholic beverages responsibly.

3.1 Select Bar Stock

Consider input from customers, bartenders, servers, and local distributors to help identify the bestselling name brands in your area. Assess your local competition and review historical data. Include at least one beer selection from each of the following categories: draft, light, non-alcoholic, craft, and specialty (hard cider, Guinness). A typical beer selection includes 4-6 domestic bottles, 2-4 premium/imported bottles, 1 non-alcoholic, 1-2 light beers, 1-2 craft beers, and 1-2 specialties.

Your liquor selection should have three tiers: well, call and premium. Some larger beverage locations/night clubs will also feature a "top shelf" tier. Use well liquors when the guest does not specify a particular brand to use (i.e., rum and Coke). When a guest asks for a particular brand of liquor for the drink (i.e., Bacardi and Coke), call liquors are used. Premium liquors are liquors with a specific brand name but are either aged or imported and therefore more expensive. Top shelf liquors are specialty liquors with a specific brand name, aged or imported, have limited availability and are therefore more expensive.

Liqueurs are just as vital to a well-stocked bar as the base spirits. These distilled spirits give drinks flavor. Liqueurs come in almost every flavor imaginable – from sweetened fruits to snappy spices.

Crème vs. cream liqueurs: Liqueurs such as Crème de Cassis and Crème de Fraises are typically made with more sugar than the average liqueur. They are more syrupy than creamy. Cream liqueurs, on the other hand, include those such as Irish cream, which have a dairy base.

Wine drinking is a sensory experience. The color of the wine, the aroma, the taste, and even the feel of the wine in the mouth are all factors that affect the drinkers' appreciation of wine. Wines are grouped in various ways; most are grouped according to the country and region where the wine was made, the wine's age, the grapes used, the basis of their sugar content (dry, semi-dry, sweet), color (red, white, pink), and types (still, sparkling, fortified, aromatized).

Wine comes in several package types. Most wines come in bottles, although some wines are "boxed." The chart below lists the six common bottle sizes.

Wine Bottle Sizes and Capacities		
Bottle Size	Common Name	Description
.100 L	Mini	A single serve bottle
.187 L	Split	¼ standard bottle
.375 L	Half-Bottle	½ standard bottle
.750 L	Bottle	Standard bottle
1.5 L	Magnum	Two bottles in one
3.0 L	Double Magnum	Four bottles in one

Boxed wine comes in cardboard boxes containing a bag that holds the wine and dispenses the wine with a tap that is attached to the bag. The primary benefit of this type of packaging is that it prevents oxidation of the wine during dispensing. After opening a bottle, the wine is affected by the air and transforms the flavor of a wine. This does not happen with boxed wine and makes it very suitable for house wines, as it can be stored for several days after opening with little loss of quality.

The quality and number of selections should be based on sales volume, customer/patron preference, sales historical data, area/regional/Navy favorites, and drink recipe requirements. Continue to monitor sales and customer preferences and adjust your stock as needed. Additionally, make limited purchases of new products and test for customer acceptance before adding to permanent stock.

3.2 Liquor, Beer and Wine Purchasing Guidelines

The challenge involved in replenishing the liquor, beer and wine inventory is to purchase the right items at the right price and in the right quantity. Ordering too much of something results in "cash on the shelf." Failing to purchase enough inventory often leads to stock shortages and lost sales.

To avoid costly mistakes, the task of ordering, receiving and requisitioning inventory should be the sole responsibility of one, or at most, two managers. Deliveries should be scheduled for the same day of each week, preferably one or two days after the order was placed. You can specify to each distributor the day and time period when deliveries will be accepted. Specifying the time of delivery will ensure that the individual whose responsibility it is to check in the deliveries is present.

Each item in the delivery should be inspected for damage and to ensure the seals are intact. Only after the delivery has been determined to be complete and correct should the invoice be signed. For security reasons, the delivered products should immediately be stocked into the liquor storeroom or wine room. Products that have a quick turnover rate should be ordered by the case to take advantage of the standard case discount. The faster an item is depleted the better its financial rate of return. For example, "well" vodka, the product with the fastest turnover rate behind the bar, has a better return on investment than a top-shelf liqueur that takes more than a year to empty.

One rule of thumb is that liquor should be ordered by the case if it takes less than five weeks to sell that quantity of product. Regardless of the broken case charge incurred, if it takes more than five weeks to deplete a case of a particular brand, then it should be ordered a few liters at a time.

When purchasing beer and alcohol, DoD and Navy policies direct alcoholic beverages procured for Navy NAF activities be purchased in a manner and under conditions that will result in the most advantageous procurement with price and other factors considered. Sources of supply include the NEX and local vendors. NEX is authorized to sell spirits, wine, beer and soda to MWR at the following discounts: Europe (includes Bahrain), cost plus 12%; Guam, cost plus 8%; Japan, cost plus 8%; CONUS, Pearl Harbor and Guantanamo Bay, retail less 10% (NEXCOM Information Bulletin of 19 May 2014, Sale of Navy Exchange Merchandise to Authorized Government Agencies; copy located in ***MWR e-Library***; subject to change). Procurement of alcoholic beverages from other than the lowest offered source must be justified as required by CNICINST 7043.1 (CNICINST 1710-3, Chapter 21, Section 2140).

When purchasing alcoholic beverages from local vendors there is no need to "shop around" for the best deal. Specific brands are sold by specific dealers only; they each have an exclusive right to distribute all the brands they carry. Wholesaling of alcoholic beverages is state regulated and controlled.

3.3 Standardized Drink Recipes

Set up a method/system for bartenders to have easy access to drink recipes (Rolodex, POS, index cards, book). Consistency of product is a vital part of our professionalism. A drink prepared by one bartender must be prepared exactly the same way by all other bartenders.

Using automated dispensing systems is one way to control the pour of the bartenders. They range from mechanical dispensers attached to the individual bottles to magnetic pourers that can be activated when the cash register registers the sale. These systems dispense the exact amount every time, allow for more consistency, less spillage, and prevent over or under pouring, Dispensing systems are also available for draft beer and draft wine. These systems measure and count portions using portion meters that count each glass, pitcher or carafe served. The readings are taken at the end of the shift, and the number of servings at the different sizes can be quickly tallied and compared to sales records. If dispensers are not used, measures such as jiggers or Posi-Pourers are used. Measures should be used because eye or count pours will lead to inconsistencies between bartenders.

3.4 Glassware

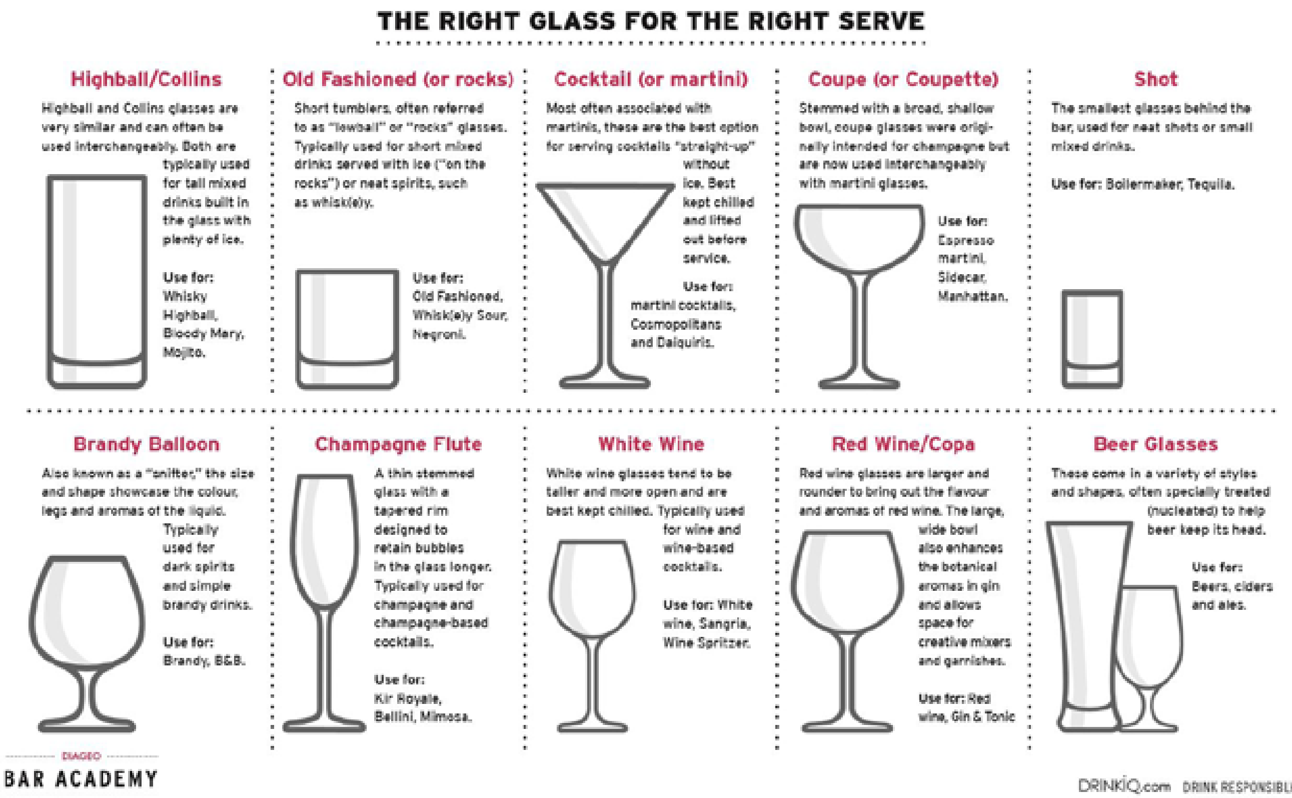
Glassware is where the anticipation of a great drink begins. The eyes are the window to the stomach, and research has revealed that beautiful glassware not only enhances a customer's perception of quality, but even impacts taste. Customers see glassware long before they taste a drink's content, and inventive or attractive glasses might catch the eye of other customers, promoting the cocktail and providing a useful upselling tool. Guests expect their cocktails in clean, "correct" glassware, making your glasses an essential feature in maximizing your customers' experience in your bar.

Six top tips for perfect glassware:

1. **Hands off** – Never touch the rim of a glass! This is not just for hygiene reasons; the less you handle the glass, the colder the drink will be. Always hold glasses at the base, leaving the top two-thirds for the customer.
2. **Size matters** – There are subtle differences between the sizes of different glassware, and these distinctions are very important. Think wine glass versus Copa glass – we all know they look very similar, so it is important to know the distinctions. The size of the glass also has implications on the quality of the serve, as the glass needs to accommodate the right amount of ice and liquid to achieve a great-tasting drink.
3. **Squeaky clean** – Before serving a drink, always double-check the glass for marks, lipstick or cracks. Even if the glass has been washed, there is a chance that some traces of detergent may remain. To ensure the glass is clean, polish glassware with paper towels after washing. You only get one chance to make a good first impression.
4. **Cool it** – Chilled glasses keep drinks colder. If glassware has been freshly washed and is still hot, a cold substance can cause the glass to shatter. Take care when using washed glassware and allow it time to cool.

5. **Stock up** – To maintain high levels of service throughout the shift, make sure there is a sufficient number of glasses washed and polished. Regularly prep glassware throughout your shift to ensure service levels are maintained. In every bar, there is always a quiet period – use this time to prep glassware.

6. **Storage is key** – Take care with glasses that have delicate rims, as these are more likely to shatter. All shelving for glassware should be lined with matting and cleaned regularly.



Frosting glassware: There are two main ways to chill glassware. The first is by storing your glassware in a fridge/freezer. The second technique is to fill the glass with ice and water before you start making the cocktail. By the time you have finished shaking or stirring, your glass should be ready.

Ice: Ice matters! Ice is one of the main ingredients in every cocktail, and if we care about the quality of our drinks, we ought to care about the quality of the ice. Ice does two things to your cocktail: cools it down and dilutes it. Do not believe the myth that all dilution is a bad thing. Research has shown that a little bit of water actually opens up some spirits by emphasizing some aromas and masking others. The shape and size of your ice impacts how quickly it melts and how much water gets into your cocktail.

Big cubes: If you have been to a cocktail bar in the last few years, you have probably seen those giant ice cubes that fill up most of the glass. Serving a spirit-forward drink over those large rocks will add less water to your drink over time, as drink temperature and dilution are going to stay consistent for an extended period.

Crushed/cracked/pebble ice: Some drinks benefit from a big pile of crushed ice, especially those that are designed to be served in warmer climates or use a lot of fancy syrups and juices. Because the tiny pebbles will thin out syrups and juices, they work well for those types of drinks – call it the snow cone effect. If you are whipping up a refreshing Mint Julep, a boozy tiki, or Rum Swizzle, you will want crushed or pebble ice. That will add just the right amount of dilution to these spirit-forward cocktails, while keeping them consistently chilled.

Standard cubes: Standard one-inch by one-inch cubes are the workhorses of the ice world. They are great in every cocktail, and if you use cubes that are all about the same size they will melt consistently.

3.5 Bar Lingo and Drink-Making Techniques

Creating cocktails can be easy and straightforward or complex and artistic! Here is a list of the most common techniques used to create and serve cocktails and mixed drinks.

Shaking: Shaking is the method by which you use a cocktail shaker to mix ingredients together and chill them simultaneously. Once you have poured the ingredients, hold the shaker in both hands, with one hand on top and one supporting the base. Give a short, sharp, snappy shake. When water has begun to condense on the surface of the shaker, the cocktail should be sufficiently chilled and ready to be strained.

On the rocks: A drink served in an old-fashioned or rocks glass, over ice.

Straight up: A drink that is chilled, strained of ice and served into a chilled cocktail glass.

Neat: A drink served with no ice or mixers.

Straining: When a drink calls for straining, ensure you use ice cubes, as crushed ice tends to clog the strainer of a standard shaker.

Stirring: Cocktails can be stirred effectively with a metal or glass rod in a mixing glass. If ice is used, use ice cubes to prevent dilution, and strain the contents into a glass when the surface of the mixing glass begins to collect condensation.

Muddling: This technique is used to extract the most flavor from certain fresh ingredients, such as fruit or mint garnishes, by crushing the ingredient with the muddler on the back end of your bar spoon or with a pestle. A muddler is commonly used for citrus wedges, softer fruits, and certain spices such as ginger.

Blending: A blender is needed for recipes containing fruit or other ingredients that do not break down by shaking.

Building: When building a cocktail, the ingredients are poured into the glass in which the cocktail will be served. Usually, the ingredients are floated on top of each other, but occasionally, a swizzle stick is put in the glass, allowing the ingredients to be mixed.

Layering: To layer or float an ingredient (i.e., cream, liqueurs) on top of another, use the rounded or back part of a spoon and rest it against the inside of the glass. Slowly pour down the spoon and into the glass. The ingredient should run down the inside of the glass and remain separated from the ingredient below it.

Flaming: This is the method by which a cocktail or liquor is set alight, normally to enhance the flavor of a drink. It should be attempted with caution and used only to enhance the flavor of a drink – not to simply look cool.

3.6 Garnishes

Garnishing is the practice of adding something to the final drink to make it look nicer and add something extra to indulge the senses of taste and smell. Garnishes are added to a drink in various ways.

- Dropping whatever garnish you are using into the drink.
- Twisting a citrus peel over a cocktail to spray its scent over the drink, followed by dropping the twisted citrus into the drink.
- Floating by gently placing the garnish on top of the cocktail so it floats on top of the liquid.
- Rimming or layering the rim of the glass with salt or sugar to give the cocktail an extra kick. Rub citrus juice onto the rim of the glass first and then layer the salt or sugar on top.

3.7 Physical Security

Bar beverages and supplies should be stored under lock and key. The keys to the bar areas should be controlled with a key control log and accessible only by authorized employees. It is a good idea to rekey the beverage department storerooms periodically.

3.8 Sales Accountability and Bar Inventories

Bar sales accountability controls permit management to monitor each bartender's effectiveness in maintaining established standards. Bar inventory usage figures determine the cost of product consumed. The dollar difference between expected sales and actual sales is considered an overage or shortage.

- Beg Inventory + Issues In – Transfers Out – End Inventory = Actual Product Consumed
- Actual Product Consumed x Actual Selling Prices = Potential Beverage Sales

Potential beverage sales are the sales amount that should have been earned according to the actual consumption during the designated period. In order to calculate the actual consumption, the inventory is taken at the beginning and at the end of the period.

For each beverage item, the standard sales value is calculated from the periodic beverage consumption volume, and then the total potential beverage sales value should be compared against the actual beverage sales amount. If the difference between the actual sales and the potential sales is large, management will investigate the reason for the variance. The maximum allowable variance for alcoholic beverage service is 2%.

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Sales accountability should be conducted after every shift.

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A sample of a Bar Sales Accountability Form is located ***Headquarters Team Site - HQ N9 Team Site - N92 Fleet Readiness Team Site - N923D MWR Food and Beverage - Shared Documents*** and in the ***MWR e-Library Guidance folder***.

3.9 Inventory

Managing your inventory involves knowing precisely what you have, what it costs, where it is stored and when you used it. Obtaining this information requires accurately monitoring your inventory from the moment it comes through the back door until the end of the accounting period when it is depleted.

The linchpin of controlling your stock is maintaining a perpetual inventory. The perpetual inventory is used to track the flow of inventory in and out of the liquor storeroom. The perpetual inventory system will indicate the amount on hand for every product stocked at any point in time.

When a product is requisitioned from the liquor room, the transaction is recorded on the item's stock record card, along with the date, person who is updating the stock record card and the location the product is transferring. The requested amount is then subtracted from the quantity on hand indicated on the stock record card. The last entry on the stock record card should invariably correspond to the actual amount of product on the liquor room shelf.

3.10 Inventory Methods

The most frequently-used method of determining the amount of liquor remaining in the bottle is the "tenthing method," which entails estimating to the nearest tenth of a bottle. For example, if the contents of a bottle are estimated to be four-tenths (meaning that the bottle is a little less than half-full), it is recorded as 0.4. Simple math tells us that when the product's initial bottle cost is multiplied by 0.4, the result is the value of the remaining contents. To estimate the contents remaining in odd-shaped bottles, hold the bottle lengthwise along its longitudinal axis.

The most accurate method for conducting a liquor inventory is weighing the bottles to determine the ending inventory values. Use either a manual scale or digital/electronic scale system to weigh the open bottles. Standard liquor bottle tare weights can be found at ***Headquarters Team Site - HQ N9 Team Site - N92 Fleet Readiness Team Site - N923D MWR Food and Beverage - Shared Documents*** and in the ***MWR e-Library Guidance folder***.

3.11 Establishing Bar Par Levels

Every product behind the bar needs to be stocked in sufficient quantities to meet sales demand. A bar par list facilitates keeping the inventory at prescribed levels by indicating to the staff how much of each brand should be stocked behind the bar at any time. Establishing and maintaining par levels behind the bar is also effective in controlling internal theft. Any product missing from the shelves or backups will be detected quickly and the disappearance can be reported immediately.

3.12 Beverage Fraud

Fraud can occur whenever the bartender has access to the cash drawer. This list is by no means exhaustive and is included to show the most common types of fraud.

Short pouring: Short pouring is where the drink is under portioned and the extra amount is "stockpiled" until a full drink can be made and sold without showing a deduction from inventory. Require bartenders to use a jigger to measure all drinks.

Substituting house brands for call brands: A bartender can substitute a house brand and charge for a call brand. This tactic is hard to detect.

Dilution of liquor: This typically occurs at inventory time to cover up missing liquor. The white spirits such as gins and vodkas are the most vulnerable to be diluted with water.

Bringing in own bottle: Bartenders can easily bring in their own bottle and never record the usage or sale. With 30 shots per bottle at $2.95 per drink, a bartender can steal close to $90 per shift. Operators can prevent this or at least increase the likelihood of it being detected by doing the following:

- Use a permanent stamp on all bottles leaving the liquor storeroom. Also, check out the tax stamp because it is a different color for retail and wholesale.
- Keep a par stock number of each type of liquor bottle behind the bar. If you notice an extra bottle, check for the bottle stamp.
- Inspect all empty bottles before breaking and discarding them. If you use the empty bottles to determine the amount issued from the storeroom to replenish stock, you have another checkpoint for foreign bottles.
- Do not let employees bring backpacks or large handbags behind the bar. Have employees enter and leave through one entrance, and check all packages large enough to hold a bottle.

Giving away free drinks: This is a ploy for bartenders to increase their tips or simply pocket the money from the customer without ringing the transaction. Require that a printed cash register receipt accompany each drink served.

Chapter 4: Catering

A catering program is in the business of providing a consistent package of high quality F&B products and services for its clients. When a customer contracts with an F&B establishment, they contract for more than F&B services. They are entering into an agreement involving trust and confidence. Successful administration of a catering program relies heavily on the manager and catering professionals. Catering professionals must know their jobs and perform them well. Policies and procedures must be established and followed. Attention to detail is critical. The catering operation is hired to handle all the details of the contract professionally and completely, from start to finish.

4.1 Sales Office

The objective of a catering sales office is to establish and steadily increase catering events and subsequent revenue that contribute to a financially-sound F&B operation. First impressions are lasting and important; your prospective client will base their confidence on your perceived professionalism from the first interaction. The office space should be private, comfortable, well-decorated and present a business ambiance without being too formal. Catering office hours of operation should be designed to accommodate and attract potential clients. A combination of established office hours and availability by appointment is recommended.

4.2 Catering Brochures and Menus

The catering brochure must create excitement about your client's upcoming event. The brochure must be current, well organized, include all related policies, fees and charges, and professionally printed. Catering menus should be up-to-date, combine traditional items with new trends, and meet a variety of dietary preferences such as vegetarian or gluten-free items. The menu should reflect your operation and the needs of the local community. Menu items should have associated cost cards and standardized recipes.

4.3 Banquet Event Order

A Banquet Event Order (BEO) is a written plan that outlines F&B requirements, audiovisual equipment, room setup, staffing, event timing and other event needs. Proper distribution of the BEO to all F&B departments involved in the event, such as kitchen, dining room, A/V, custodial, bar, laundry, and set-up/break down staff, is key to executing a flawless event. For operations that have frequent catering events, it's recommended that weekly BEO meetings be held to review functions, emerging requirements and available resources to execute the most efficient plan of action to achieve the desired results.

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Make sure to remove the customers' personal information from the BEOs before you distribute copies to the various departments.

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4.4 Party Contracts

Controlling contracts is critical. All catering contracts must be on prenumbered party contracts issued by the NAF accounting office or generated by catering software such as Caterease or Total Party Planner. The catering operation and NAF Accounting share responsibility for correctly processing and accounting for special functions.

A signed special function contract must be completed at least 10 days prior to the function. This does not mean that short-notice functions cannot be booked if space, food and staffing are available. The special function contract will clearly list the menu, special services, date, time, location, total function cost, and estimated number of guests. All changes/revisions to the contract should be signed/initialed/dated by the client.

The catering operation will not assume responsibility for individual attendee payments. Note that the person preparing the contract cannot accept payment; a separation of these functions is required for internal controls. If automated catering software is used, in addition to processing the payment in accordance with the local business office, the contract must be closed out in the system once payment is collected.

Although special functions require a contract more often than not, here are two situations where a contract is not required:

- A meeting or gathering that does not require room set up and guests use the normally available food service.
- A command has an authorized meeting or training that does not require set up because the command provides the workforce to set up and return the room to its original state.

4.5 Catering Reports

The Revenue Forecast Report identifies the prospective, tentative, definite and cancelled special functions. Send the Revenue Forecast Report to the NAF business office weekly and at the end of month or on a schedule set by the local NAF business office. Your catering software generates this report.

The Accounts Receivable Report shows the revenue that occurred during the reporting period. Send a copy of the Accounts Receivable report to the NAF business office to ensure that all income earned during the reporting period is properly recorded. If income is reported before or after the reporting period in which it occurred, your COG will be affected. This report is also a record of all party contract numbers that have been assigned. Your catering software generates this report.

It is important to note that no outside food or beverage is allowed in MWR F&B spaces (with the exception of ceremonial cakes) unless approved by management (CNICINST 1710.3, Chapter 21, Section 2121.c). Management approval is only authorized if the catering facility cannot meet the dietary concerns of the guest or it is not financially/logistically feasible for the facility to supply the item. Additionally, the removal of leftovers from the premises is also prohibited (CNICINST 1710.3, Chapter 21, Section 2117.c).

4.6 Command Functions

Command-sponsored functions are private/catered social and business functions recognized as making a positive contribution to community relations and may be authorized by the installation commander (applicable fees may be charged).

Note that for command-sponsored functions, APF may pay for certain elements of these mission-support events. However, APF cannot be used for the purchase of F&B services (DODI 1015.10 of 6 July 2009). The one exception is when Official Representative Funds (ORF) are used as outlined in SECNAVINST 7942.7K ORF Guidelines. ORF funding authority from SECNAV or CNO authorizes DON officials to extend official courtesies, including food and beverages, on behalf of the U.S. government. ORF events are usually booked through the protocol office. Occasionally, command functions are paid through fund transfers, which will require coordination between N8, N94 and the facility management that hosted the function.

Chapter 5: CNIC Branded Food Concepts

CNIC internal brands are MWR restaurants that are CNIC HQ developed and locally self-operated. The establishment's brand identity is determined by the CNIC HQ N923D F&B Program through a formal agreement as referenced in the CNICINST 1710.4. CNIC internal brand restaurants primarily provide fast casual food with an emphasis on quality food and speed of service where the patron makes a customized food selection and then pays prior to consuming the food.

The benefits of operating internal brands include standardized recipes, menus, nutritional analysis, order guides, costing cards, and commodity tracking as well as velocity reports. CNIC internal brands use a "stealth health" strategy of using whole grains, lean proteins, reduced-fat cheese, foods free of preservatives, low sodium soups, fresh not frozen, baked not fried, and fresh baked breads. CNIC provides comprehensive nutritional analytics for all menu items. The best part is that MWR receives 100% of the net income from operations!

CNIC HQ N923D provides continuous on-site assessment visits of internal brand operations, which is a huge benefit for the installation. Using the Visitation Communication Report (VCR) developed by CNIC HQ, sites will receive an overview of the operation highlighting areas that have the most impact on customer service, sanitation and revenue. The assessment is completed by CNIC HQ/Region F&B SME or an operations support partner. The assessment is discussed with facility management and used to build an action plan for success. The assessment and plan of action are also reviewed by the facility manager's supervisor so support, if necessary, can be provided to complete recommended actions. The VCR form and a completed example can be found in the ***MWR e-Library Reports folder***.

Brand development is always evolving; see below for the brands currently operating in MWR facilities.

5.1.1 Gourmet Bean Café: The menu is similar in offerings to a Panera and is known for fast casual, high-quality fresh foods. Foods feature par baked breads, large salads, lean protein sandwiches and other healthier choices. Beverages may include a gourmet coffee program (i.e., Starbucks We Proudly Serve), high-end bottled drinks (Honest Tea, Dr. Jones cane sodas), coconut and sparkling waters.

5.1.2 Rustic Crust Pizza & Wings: Similar to California Pizza Kitchen Express with a build-to-order component. Unique to the rustic crust is a stone conveyor oven that produces a fully-cooked 9" pizza in 2 minutes!

5.1.3 Bombers Fresh Mex: Similar to Chipotle Mexican Grill. Specializes in burritos, bowls, salads and tacos. Considered a healthy alternative with whole-wheat tortillas and a focus on fresh, not fried.

5.1.4 Better Burger and Fries: Similar in concept to a Smashburger or Five Guys. Provides customization with fresh ingredients and a healthy alternatives "toppings bar." Offers a variety of options and sizes to accommodate appetites and dietary considerations.

5.1.5 Spinz Hand Crafted Food: Bowling Center centric utilizing the most popular menu items from four internal brands.

5.1.6 Blendz (smoothie concept): Features 100% all-fruit smoothies blended to order with the ability to customize with Navy-approved protein additives, nut butters, fruits and flavors.

5.1.7 Uptown Pizza: Pizza, salads and wings with a focus on delivery.

5.1.8 Market Fresh Bistro!: Simple, fresh, classic. Breakfast, salads, sandwiches and paninis. Made-to-order or grab and go. This concept may be paired with a beverage program.

Chapter 6: Staffing, Training and Certifications

The quality of the MWR F&B Program is directly correlated to the professionals it employs. MWR supports the ongoing development of F&B staff members with training and professional development opportunities. This includes growing team strength through training and collaborating with F&B industry recognized organizations such as the National Restaurant Association (NRA), International Food Service Manufactures Association, and International Military Community Executives Association.

6.1 Position Descriptions

Every job in MWR has a position description that details the job duties and required tasks. To ensure consistency in job qualifications and performance expectations, CNIC HQ N923 is establishing standardized position descriptions (PDs) for the F&B Program. Once completed, you will find the position descriptions in the ***MWR e-Library*** and at ***https://g2.cnic.navy.mil/tscnichq/N9/N94/N941/Library/Forms/PositionDescriptions.aspx***.

Note: *You may not change the position title or major job responsibilities without approval from CNIC Human Resources and CNIC HQ N923.*

6.2 Staff Training and Certifications

MWR F&B managers are responsible for providing ongoing, documented training to all employees. By creating measurable goals for yourself and your staff, you will be able to develop a training plan and path to achieve your goals. Each year you should track your accomplishments and keep a running list of your successes. At the end of each fiscal year you can see how well you met your goals. Additionally, your Individual Development Plan (IDP) should be completed each fiscal year, where new goals will be set based on what you were previously able to accomplish. Your IDP is also a great way to communicate with your supervisor on how they can better assist you in achieving your success through desired learning opportunities via training or conferences.

The F&B Program has mandatory training for staff members prior to starting their official duties. All personnel serving alcohol (bartenders, servers, cashiers, duty managers, etc.) must have the CNIC-approved alcohol service certificate through initital training and annual refresher training for the duration of their employment in alcohol service positions. All personnel handling food must have a minimum of four hours of food handlers training, initially and annually, through ServSafe (online/classroom) or local preventative medicine certification. All personnel handling cash must first receive Cash Handlers training, which is typically provided by the local N94 branch. Responsibility for conducting the food handlers and the alcohol service annual and refresher training often falls to the F&B manager. Contact N923D for more information about becoming certified to teach these courses.

CNIC Food & Beverage has partnered with the National Restaurant Association (NRA) through the ServSuccess and ManageFirst training and certification programs to provide training for our F&B facility managers and staff.

ServSuccess™ is a career path development offering for the restaurant and hospitality industry developed by the National Restaurant Association to help attract and retain talent. From a restaurant professional mastering skills, to a supervisor learning to lead, to a manager who is driving the business, the online learning resources are designed to foster employees' growth at all stages of their professional career journey. There are three distinct certifications which lay out a well-defined career path within the restaurant industry.

ServSuccess offers three complete learning suites that are composed of 18 total courses, all created by industry experts to be a best-in-class learning experience and aligned to our three professional certifications. Learning is organized in "bite-sized" modules that can be completed in 45 minutes to two hours, making it easy for employees to complete training around a busy schedule.

The ManageFirst program was created by the National Restaurant Association Educational Foundation (NRAREF). This management development program equips students with the key competencies they need to advance their management careers in our demanding industry. ManageFirst has been adopted by more than 350 colleges and universities and in a variety of restaurant and food service companies. The ManageFirst Professional (MFP) credential recognizes students as having the academic and practical knowledge they need to succeed in the restaurant, food service and hospitality industries. To earn the MFP credential, students must pass four core credential exams and one elective exam, and have 900 hours of industry work experience.

The F&B industry is constantly changing and growing, so we must grow too. MWR has many training opportunities as well as opportunities through outside organizations. Listed below are just a few you should be aware of.

The National Restaurant Association (NRA) is considered the leading information source in the restaurant industry, and CNIC is taking advantage of this resource by funding an annual membership for one F&B manager in each region. The designated manager becomes the region’s advisory board member and regularly communicates with CNIC HQ N923D and the MWR F&B managers in their region to gain a good working knowledge of the challenges/needs of the managers within their region. This person is also the regional resource for F&B solutions and is responsible for distributing any/all information to the installation activities as well as being the region’s spokesperson who advises CNIC HQ F&B staff on food service-related issues.

NRA membership benefits include:

- ✓ Easy, unlimited access to the NRA Knowledge Center where your questions regarding food and consumer trends, industry statistics, new and popular recipes, financial matters, and more are answered;
- ✓ Free attendance to the annual NRA Show in Chicago, which is the largest food service show in North America; and
- ✓ Discounts on unlimited educational programs including information on scholarships, fellowships and career opportunities, publications and materials (e.g., training videos, safety issues and consumer trends).

If you do not already know your region’s advisory board member, you can review an up-to-date list of members on the ***MWR e-Library***.

Online training is a great way to learn, especially when your schedule or budget does not support attending face-to-face engagements. The CNIC FFR Training Branch (N947) offers a variety of training in this modality, including synchronous virtual instructor-led training, asynchronous interactive courseware, and self-paced eLearning. The topics include financial analysis, budgeting, selecting the right staff, event planning, teamwork topics, and leadership development. ServSafe, which is one of the core training requirements for F&B personnel, is available online. Contact your regional F&B point of contact for the CNIC MWR-funded ServSafe registration.

Base training opportunities allow you to network with MWR team members from your installation, region and possibly around the world. These events facilitate an avenue to gain knowledge fundamental to becoming a successful manager. Some of the more popular training classes include Star Service, Genuine Leadership, NAF 101, CPR/First Aid, CARE (Controlling Alcohol Risks Effectively)/ServSafe Alcohol, Cash Handling, Food Sanitation and more. Ask your regional TPIS or installation training coordinator for a list of upcoming training opportunities.

Government mandated training is available through Total Workforce Management Services, (TWMS), and Enterprise Training Management System (ETMDS)/Navy E-Learning/Navy Knowledge Online (NKO). Several courses are required annually for every government employee (APF, NAF, LN, and FN). Please contact your TPIS for an up-to-date list of required training.

Conference attendance is available to F&B managers to foster professional development, networking, and enhance knowledge of current F&B trends. CNIC N923D initiates conference attendance and registration when policy and funding allow.

6.3 Employee Meal Policy

CNICINST 4061.5 establishes uniform processes, policies and procedures for providing and executing an Employee Meal Program for MWR employees working in food service facilities. This instruction applies to a NAF MWR employee working in a facility that provides F&B service. This includes on-site personnel assigned to the facility such as administrative support personnel, MWR program support employees (i.e., bowling or golf personnel), drivers, janitors, warehouse personnel, managers and supervisors. Participants may only receive a discounted employee meal during their shift at the location assigned for that shift. The meal discount is 50%. You can find the instruction, SOP template, details on accounting procedures and the corresponding forms in the ***MWR e-Library Guidance folder***.

6.4 Employee Tip and Service Charge Policy

6.4.1 Types and Tax Regulations: IRS regulations establish procedures and requirements that must be understood and followed by both the employee and the employer in the administration of tips. The word "tips" and "gratuity" are synonymous and defined as an amount of money that a patron voluntarily gives to an employee. This money may be in the form of cash or may be added to a credit card in favor of an employee. This does not include the amount of the service charge that management adds to a contract for administration purposes. Tips must be disbursed to the employee(s) concerned and may not be retained by management.

Under IRS regulations, any individual who receives more than $20 per month in tips must report the amount of such tips to their employer, since these tips are subject to payment of federal income tax and the employee share of FICA. The IRS requires that the employee report tips received on at least a monthly basis, but more frequently if management desires, in order to coincide with a pay system. IRS Form 4070 or any similar local form may be used for reporting purposes.

A service charge is a mandatory charge added to a patron’s bill or party contract. It is not a tip. At management’s option, a service charge may be disbursed to employees. When a service charge is disbursed, it is treated as additional gross wages to the employee and is subject to tax. It shall not be counted as tips received by the employee.

Voluntary tip-splitting arrangements or pooling of tips is authorized. Management personnel and personnel assigned administrative duties are prohibited from accepting tips in any form, participating in receipt of distributed service charges, or participating in tip-splitting or tip-pooling arrangements.

6.4.2 Distributing Tips Through Payroll: Paying out tips in cash at the end of the shift may seem convenient and your employees are happy to receive immediate payment. In the long-term, though, it can have an unintended financial impact on the organization and the employees.

- Cash flow management: With the increasing use of cashless transactions, the operator may need to have an increased bank to cover the tip payouts. More cash on hand increases the risk of theft.
- Administrative burden: Paying tips out of the bank increases the frequency of cash replenishment, and requires daily reconciled sales and tips for every server (manual calculations also increase the chance of human error). Operations that choose to pay tips electronically reduce the number of touch points from up to 14 times per week to one time per week.

6.4.3 Service Charge (Catering): The service charge is a mandatory charge approved by the installation commanding officer and added to the client's bill or party contract. The client must have prior knowledge of the policy. The service charge policy should be included on all catering contracts. Generally, 50% of the service charge goes to the operation, and 50% is disbursed to the team members who worked the function. Support of a special function often requires team members to have an increased workload in addition to their normal responsibilities.

A local SOP should be created that addresses Employee Tips and Service Charge Policies and Disbursement. A Service Charge Break Out Worksheet and sample SOP can be found in the ***MWR e-Library Guidance folder***.

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Make sure your clients know about the mandatory service charge!

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Chapter 7: Procurement

The F&B Program requires nearly daily procurement to run operations.

Researching and ordering supplies, resale merchandise, non-personal services, equipment, and/or property for your program is a detailed and time-consuming task. Check with your local procurement office for regional/local policies.

For purchases under $5,000, only one price estimate is required. Obtain the most reasonable price possible with regard to quality, warranty, service, etc. For purchases over $5,000, obtain estimated price quotes from at least three sources unless using existing contracts.

Separation of duties is important and is required in the procurement process. An effective separation of functions requires that two different staff members handle ordering and receiving.

DoD, DON and MWR regulate purchasing and enforce reprisals for making unauthorized purchases and/or commitment of government funds. Please contact your NAF business office if you have any questions on the correct procurement procedures. For additional information and training, contact your regional/installation training coordinator and request to attend NAF Budgeting Planning.

7.1 Types of Procurement

- Supply: This includes resale items, small wares, minor property, IT hardware and software, and items required to operate all business activities.
- Service: A "service contract" is a contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply. It can also cover services performed by either professional or nonprofessional personnel on an individual or organizational basis. Some of the areas in which service contracts are found include the following:
    - ➤ Maintenance, overhaul, repair, servicing, hood and grease trap cleaning, rehabilitation, salvage, modernization or modifications of supplies, systems, or equipment;
    - ➤ Routine recurring maintenance of real property;
    - ➤ Housekeeping and base services, transportation and related services, and laundry service.
- Emergency: The purchase of goods that are immediately needed due to unforeseeable circumstances requiring immediate action.

7.2 Methods of Procurement and Payment

7.2.1 NAF Purchase Card: Used as a method of purchase or payment for official, authorized and funded purchases. Always use the purchase card as the method of payment whenever possible to ensure the highest rate of return with rebates. Contact your business office or region N94 for additional NAF purchase card information.

HQ policy does not require a PR for individual purchases with the purchase card, although some regions have added the requirement of a PR for purchase card orders. CNIC HQ offers the following options for purchase card approvals:

1. Monthly memorandum approves cardholder to purchase items up to single purchase limit and monthly limit for (types of supplies).
2. Email approval for individual approvals.
3. Project approval memorandum approves cardholder to purchase items up to single purchase limit and designated total for the purposes of the project.

Refer to CNICNAFPCPSOP of 6 Jan 2017 and your local SOP for established procedures for purchasing supplies and services, resale items and limited construction when using the DON CNIC NAF government purchase card.

7.2.2 Blanket Purchase Agreement (BPA): These agreements are used to order and pay for supplies and services purchased from approved vendors several times a year. In accordance with Federal Acquisition Regulation (FAR) 8.405.3, ordering activities may establish BPAs under any GSA Schedule contract (CNICINST 7000.3).

F&B operations often use a BPA to purchase produce, dairy and bakery items not available from their prime vendor. BPA "callers" are appointed and attend training on the BPA process. A BPA caller who is designated in writing may make calls up to $5,000 per call without a contracting officer warrant.

BPAs fall into two categories: unpriced and priced. Use unpriced when recurring purchases are required but the price varies (i.e., market-driven items such as meat and produce). Use priced when the requested quantity, item and a fixed price are known. Bids must be obtained before BPAs are established.

For more information on BPAs, refer to CNICINST 7043.1, paragraph 304.

7.2.3 Purchase Request (PR): Purchase request guidelines are listed in CNICINST 7043.1, paragraphs 204 & 206, NAF Procurement Policy. Contact your business office or region N94 for local SOP on purchase requests.

7.2.4 Delivery Orders: Delivery orders are used against existing negotiated contracts (i.e., AFNAFPO, GSA, JSPVP, linens, hood and grease trap cleaning, Coca-Cola, etc.).

7.3 Entertainment Contracts

Comedians, DJs, bands, bouncy houses, and karaoke are common entertainment offerings within F&B Programs that are intended to drive business to the location. All contracts for entertainment will receive legal review and be awarded in accordance with the guidance in CNICINST 7043.1. Standard purchase orders will not be used for contracting entertainment. Contracts for comedy and/or musical acts need not be competed. Performers should be auditioned, whenever possible, and negotiations should commence regarding fees. The contract award can be determined based on customer preference, availability or anticipated draw. The contract file must contain documentation to reflect the manner in which the prices were determined to be fair and reasonable. The MWR manager on duty during the "entertainment period" shall complete a written performance evaluation for each entertainment type contract. This evaluation will serve as the Receiving Report for the contracted entertainment and be submitted to the accounting office as evidence of satisfactory contract completion. Using a template for evaluation is an easy way to accomplish this requirement. A sample template may be found in the ***MWR e-Library Samples folder***.

Insurance coverage for the contractor should be included in the contract. With that said, there is a provision that allows the commanding officer to reduce or waive general liability coverage in circumstances where the risk is low (i.e., bingo caller). In situations where general liability coverage is waived, contractors shall be required to execute an Assumption of Risk, Release and Waiver of Liability Hold Harmless and Indemnification Agreement. Entertainment contracts exceeding $5K and conducted outdoors should include weather/rain insurance in a minimum amount to recover expenses when payments are guaranteed. Weather/rain insurance is not provided by CNIC centrally and must be procured locally.

7.4 Market Research

It is important to conduct market research whenever there is a new requirement for products or services. What is the purpose of market research?

- To promote competition.
- To ensure satisfaction needs in a cost-effective manner.
- To determine whether commercial items are available to meet the operation's needs. As you may know, we operate similar to a commercial business and the majority of our requirements can be met with commercial items.
- To determine customary commercial practices, such as warranty, financing and maintenance terms.
- To facilitate development of the independent cost estimate.
- To identify new products and technologies.
- To justify noncompetitive procurements. The information obtained will assist in completing the sole source justification documentation.

Market research list of sources:

- Air Force Non-Appropriated Fund Procurement: ***https://www.afnafpo.com/***
  Available Air Force NAF contracts that do not need to be competed.
- Consumer Price Index (CPI): ***http://www.bls.gov/cpi/news.htm/***
  CPI program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.
- GSA eLibrary: ***http://www.gsaelibrary.gsa.gov/ElibMain/home.do/***
  Place to search for all GSA contracts and includes price lists.
- PriceGrabber.com: ***http://www.pricegrabber.com/***
  Where you can find commercial prices.

7.5 Performance Work Statement

A performance work statement (PWS) is a statement of work for performance-based procurements that describe the required results in clear, specific and objective terms with measurable outcomes. A PWS defines our requirements and does not give a contractor step-by-step instructions on how to perform and meet the requirement. This approach provides less risk to the NAFI by placing the burden on the contractor to perform and provide results.

7.6 Sole Source

Public law empowers contracting officers with the responsibility to ensure a level playing field is maintained so all contractors have an equal chance in securing government business. This is known as full and open competition (FOC). One exception to FOC is "sole source or brand name only." This exception is used when your requirement can only be satisfied by the unique supplies or services available from only one source or product brand. Remember, a brand name purchase does not justify a sole source because many sources may carry that same brand item.

A well-written sole source justification should stand on its own. When preparing your justification, you should strive to ensure the contracting officer can determine from the facts contained therein, that the exception to full and open competition is absolutely essential. Performing a thorough search for potential sources is a critical step toward determining if full and open competition is feasible. Providing the results of your market research in the document is necessary for the contracting officer to make informed approval decisions.

A sole source justification should contain the following elements:

1. A brief, non-technical description of the supplies/services/equipment that is to be acquired. State exactly what you want to purchase.
2. Estimated cost of the requirement.
3. Required delivery date.
4. Proposed contractor's unique qualifications. This information must adequately portray the circumstances for excluding full and open competition. Cite the specific "data" required in the performance of the contract/purchase that is only available from one contractor and the significance of this data to your acquisition. The existence of proprietary data in and by itself is not sufficient. Cite the unique "capabilities" required for performance that are possessed by only one contractor. State the reasons why no other contractor has or can obtain these capabilities and why they are essential for contract performance.

7.7 Unauthorized Commitments

When an individual obligates funds without appointed authority/approval, they commit an unauthorized commitment. The only personnel authorized to obligate NAF funds (with appropriate approval signatures) are warranted contracting officers, BPA callers and purchase cardholders.

7.8 Ratification

Ratification is the act of approving a voidable contract by an official who has the authority to do so to pay for the supplies or services provided to the NAFI because of an unauthorized commitment made by an individual who lacked the authority to make the contractual commitment.

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A lack of planning, either from a delivery or funding viewpoint, is not sufficient to justify a non-competitive procurement.

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Chapter 8: Facility Administration

8.1 Facility Concept

A restaurant concept is the overall idea or theme that defines the operation. A good concept will cover an array of elements with one cohesive mood or tone. Not only is the menu important, but wall color, lighting, furniture, table settings, music and décor all play a huge role in the overall impact of your restaurant. Additionally, the name of your operation should give customers a good idea of the type of food you serve.

8.2 Facility Management

Your F&B facility should compare favorably with civilian establishments. The facility should be well maintained and spacious enough to ensure the comfort and safety of customers. Having too much furniture and equipment in a facility not only increases chances of injury, but also frustrates those who do not have room to move freely. Management is responsible for making sure the facilities are clean, attractive, and free of broken or damaged equipment and furniture. Items that need to be addressed on a regular basis include: water filters, food service equipment condensers, hood cleaning, fire suppression system testing and certification, fire extinguishers (in code and inspected as scheduled), signage (operable and updated), paint and carpets in good condition, furniture clean and operable, emergency exits well marked, restrooms clean and well stocked, eating area clean, menu items and prices updated regularly, trash cans empty and new bags inserted, etc.

All employees are responsible for pushing in chairs, picking up trash, spot dusting and wiping up spills, and maintaining the general appearance of the facility. Samples of the Visitation and Communication Report (VCR), various operational checklists and other useful tools of the trade are available for you to customize to your facility. In addition, you can review facility cleaning job aids in the ***MWR e-Library Sample folder***.

8.3 Facility Pass-Down Log

Pass down of information among employees and the supervisor is crucial to addressing challenges and supporting customers. Traditionally, a physical logbook is used and kept in a location accessible to all employees. Whether a physical logbook, pre-shift meeting or another means of communication is used, the important thing is to have an effective process in place that is available to all employees to share information with one another and updates the status and challenges of the operation from one day to the next.

8.4 Facility Use

The various MWR F&B outlets described in chapter 1 are in stand-alone or shared facilities. Most facilities may be used for the following special events and programs.

8.4.1 Mission Support Events: These are training functions and socialization events held within MWR facilities that promote the physical and mental well-being of the military member or support the accomplishment of the basic military mission. The events range from using a room for a command meeting or a reception for visiting foreign military leaders and local community officials. Mission support events include, but are not limited to, safety stand-downs, pre-deployment briefs and family readiness activities. Functions that are inherent to the Navy mission and assist with readiness are an important element of life within the Navy. The command will use APF to pay for most of the expenses, including room fees, room set-up charge, table linens, and use of audiovisual equiptment. However, if the event is classified as mission support, then the fees associated with the room set up or use of space may be waived.

Your commanding officer may ask you to cater an official function. When this occurs, the commanding officer may use his/her Official Representation Funds (ORF) to pay all expenses. SECNAVINST 7042.7K authorizes the use of ORF to maintain the standing and prestige of the United States by purchasing items for an official function when more than 50% of the invited guests are eligible for ORF courtesies. In addition, Commands may pay for MWR F&B services with their unit allocation funds, which are distributed via MWR NAF for use by individual commands for social functions and other MWR-related expenses. We strongly encourage commands to use MWR facilities when spending their unit allocation funds.

Examples of social and official functions:

Social Functions

- ☐ Change of Command Receptions
- ☐ Retirement Parties
- ☐ Installation Awards
- ☐ Installation Awards Parties
- ☐ Hail and Farewell Events
- ☐ Private Organization Events
- ☐ Family Readiness Group Events

Official Functions

- ☐ Command Meetings
- ☐ Seminars
- ☐ Trainings
- ☐ All-Hands Call
- ☐ Military Exams
- ☐ Pre/Post Deployment Briefs
- ☐ Retirement Ceremonies
- ☐ Ombudsman Meetings
- ☐ Safety Stand Down

8.4.2 Special Events and Activities: Other MWR programs may ask to use your facility for a special event (Breakfast with Santa), activity (Paint and Sip Night) or live entertainment (comedy show, concert). Making the facilities available for personal use (catered event or party) or other MWR programming activities during non-peak or low attendance hours can be another revenue-generating option.

CNIC N922 maintains a live entertainment program for overseas installations. Navy Entertainment, United Service Organizations (USO) and Armed Forces Entertainment (AFE) all work with the installations to bring live entertainment to our military personnel and their families. The entertainment tours are booked centrally and funded with both NAF and APF dollars. If CNIC N922 asks you to help support a live entertainment show, this support could include providing equipment and lighting support, lodging, meals and transportation. The Navy Entertainment representative will provide you with the pertinent details, and you can find more information by visiting ***http://www.navymwr.org/entertainment/***.

Additionally, when catering and conference center facilities pay for utilities, the costs are prorated between paid recreational functions and nonpaid command events. Appropriated funding for utilities is authorized in accordance with DODI 1015.15 of May 2005.

8.5 Appropriate Attire/Dress Code

When determining an appropriate dress code/uniform for employees and patrons, it is a best practice to discuss what is considered proper attire with your chain of command. General recommendations include styles and fashions that are neat, clean and in good taste. In addition, the size and fit of all clothing will not be excessively oversized or undersized.

F&B employees are expected to dress in a manner that reflects a professional appearance. A uniform shirt with the MWR logo and a nametag are required. Chef coats are appropriate uniforms for kitchen employees. Employees providing formal dining room or bar service should wear uniforms as specified by their establishment (e.g., black pants and apron, white shirt with a bow tie). Employees who work in extreme climates should check with their supervisor for any additional uniform or dress requirements. Additionally, each installation has a clearly defined dress code for all MWR employees. Talk to your supervisor or visit the HR office if you do not have a current copy of your installation's dress code policy.

8.6 Facility Inspections

One of the duties of an F&B manager is to ensure that the facility is operating at a satisfactory level for both employees and guests. In order to maintain an optimal status, MWR facilities are inspected on a regular basis by the Bureau of Medicine and Surgery (BUMED), Federal Fire (FEDFIRE), CNIC N3 (Operations), Navy Facilities Engineering Command (NAVFAC), or other CNIC-approved organizations.

BUMED's Preventative Medicine and Industrial Hygiene Departments provide facility inspections throughout the year (Tri-Service Food Code; OPNAVINST 5100.23 series). BUMED preventative medicine inspections are conducted in accordance with the Tri-Service Food Code. There are five types of food safety and sanitation inspections conducted by preventative medicine: preoperational, routine, follow-up, walk-through, and complaint (refer to the Tri-Service Food Code 5010-1 for detailed information).

Army veterinary inspectors conduct receipt inspections of food deliveries and conduct periodic surveillance inspections of subsistence while in storage at Army, Navy, and Marine Corps installations. Routine inspections are comprehensive in nature and examine or account for the following aspects of the food operations: food receipt, storage, expiration dates, and approved sources. Actions include evaluation of food delivery conveyance, verification of approved sources, reviews of product shelf life, and assessment of storage and product wholesomeness conditions.

BUMED representatives will inspect the following areas of the facility: structural, lighting, equipment, toilet facilities, drinking fountains, and general safety. Industrial hygiene professionals will work with MWR to provide asbestos identification and fiber counting, hazard identification and evaluation, and NAVOSH program information/guidance. These areas will be classified as a satisfactory or unsatisfactory rating, and discrepancies may be routed up the chain of command.

NAVFAC professionals may assist MWR with areas such as occupational safety and health, facility planning and design safety, contract/construction safety, pest control, environmental safety, and health and asbestos/lead. NAVFAC will conduct environmental inspections.

Professionals within the Safety Department (N3) will inspect MWR facilities on a regular basis. These inspections will include, but are not limited to, safety inspections based on OSHA and DoD safety requirements, fire and AED compliance, and anti-terrorism force protection (ATFP) (CNIC 5530.14A). A sample safety inspection can be found in the ***MWR e-Library Sample folder***.

Other inspections may include installation IG reviews, Fiscal Oversight reviews, and zone inspections. It is important to keep accurate, organized records of all inspections.

8.7 Emergency Action Plan (EAP)

One of the key steps in ensuring the safety of F&B customers and employees is having a facility-specific Emergency Action Plan (EAP) in place. Your EAP should reflect your installation's procedures and information for base-wide emergency and security responses. Preparing for emergency situations is vital in order to minimize injuries and administer care to victims. All employees should be trained on facility EAPs. As part of the required in-service training, employees should be review and practice all EAPs regularly to ensure they are fully equipped and ready to assist with any incidents or accidents that may occur. Part of being aware of the expectations for employees in responding to base emergencies is for all employees to be aware of their essential/non-essential personnel status. An example of an EAP can be found in the ***MWR e-Library Sample folder***.

8.8 Incidents and Accidents (Employees)

Occurrences that require rescue procedures or first aid are defined as accidents. Occurrences such as vandalism, thefts, fights or complaints are defined as incidents. In both instances, a report should be completed and turned in to the appropriate supervisor within 24 hours. All F&B employees should be familiar with the chain of command notification process and the filing of incident and accident reports. The CNIC Incidents and Accident Report forms can be found in the ***MWR e-Library Sample folder***.

MWR employees may sustain an injury or be involved in an accident while at work. During these occurrences, the employee will notify their chain of command and work with the HR office to complete any necessary paperwork. In OCONUS locations, the procedures are likely to be different for local national staff members; find out what forms you need to complete and the appropriate procedures for all MWR staff. In addition, supervisors must input incident or accident information into ESAMS as a mishap or a near miss. Additional information regarding ESAMS in section 2: Program Support. A near miss or almost injury is an incident that could have resulted in an employee injury. A near miss should be reported to a supervisor because it may be the result of a facility hazard or improper working techniques that need to be identified, investigated and remediated (e.g., uncovered electrical outlets, missing wet floor signs, or poor bending and lifting techniques). The supervisor can report the near miss into ESAMS but is not required to do so.

All employee mishaps must be reported to a supervisor. If an employee gets hurt and requires first aid or medical treatment, an ESAMS Mishap Report is required. If an employee gets hurt and no first aid or medical attention is required, the supervisor should document the accident and retain the report in the employee's file. The supervisor will ask the injured employee to sign the Mishap Form, stating that the employee does not want to seek immediate medical treatment. Since no first aid or medical treatment was required, per OSHA requirements, reporting is not required; however, a best practice is for the supervisor to report this injury into ESAMS. If at a later time the injured employee decides to seek medical treatment for the previously reported injury, an ESAMS Mishap Report is required. The narrative statement in ESAMS should address the time lag between the injury and the time medical treatment was sought. Remember to document everything. A sample CNIC Incident and Accident form can be found in the ***MWR e-Library Sample folder***.

8.9 Incidents and Accidents (Customers)

How we handle incidents and accidents is almost the same for employees as it is for customers. The main thing to know regarding customer incidents or accidents is that if anything happens in your facility or another program on the base, you need to contact base security and/or medical personnel, depending on the situation, and document the incident.

8.10 Standard Operating Procedures (SOP)

An employee handbook that includes all relevant SOPs should be readily available to all F&B Program employees. As part of a new employee's indoctrination, they will read, understand and validate that they reviewed the handbook/SOPs. It is important to keep the SOPs up-to-date, reviewed at least annually, and endorsed with the current MWR director's signature. F&B facilities should have, at a minimum, the following SOPs: Employee Meals, Inventory Procedures, Cash Handling, Key Control, Transfers Between Cost Centers, Opening and Closing Procedures, Sanitation Self-Inspections, Employee Tip Policy, Employee Service Charge Policy, Storage of Personal Belongings, HACCP (Hazard Analysis Critical Control Point Plan), and Time-Keeping. Samples of these SOPs and more can be found in the ***MWR e-Library Sample folder***.

8.11 Video Surveillance

If the facility has security cameras, focus the cameras on the cash handling and storage areas or other areas of concern. Video footage should only be available to the F&B manager. NEXCOM is a good source for purchasing the video camera system and loss prevention equipment. Training on theft, overage or shortages, employee disputes, etc., can be found in the ***MWR e-Library MWR Operations Guides*** (N94) folder and the FFR NAF 101 learning event.

8.12 Sound and Video Use in Facility

Music and videos are played to enhance the dining experience. Because MWR F&B operations play music and display videos throughout the day in most facilities, managers frequently have questions regarding copyright laws and royalty fees. F&B facilities are considered public places for using sound and video recordings. Distributors providing the recording must provide the program with a written statement that a license is held from the copyright holders for use within the facilities. Distributors that provide blanket copyright licenses include ASCAP, BMI and SESAC. Videos are licensed by MPLC and ASCAP, which deals with television licenses. Agreements from one or more distributors are based on CNICINST 1710.3 and SECNAVINST 5870.4A and are required if more than one music source is played. The Navy considers performances of music or videos at isolated areas or deployed units to be nonpublic. Specifically, SECNAVINST 5870.4A, Paragraph 5(b) (2) states that: "Within the DON, displays or performances on-board ship, in bachelor officer or bachelor enlisted quarters, day room, barracks, general messes in an isolated area or deployed area are not considered 'public' provided the performances or displays are made without any purpose of direct or indirect commercial advantage and without charge to the recipients." Additionally, the size of the room/space and number of speakers factor into permissions, and almost all of our MWR F&B facilities fall under the minimum requirement.

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Contact CNIC HQ prior to communicating with ASCAP, BMI or SESAC.

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MWR employees must be aware of the legalities involved in using licensed music and make a conscious effort to use legal music from legal sources. Sample agreements are located in the ***MWR e-Library Samples folder***. Management should guide the both the volume and selection of music and base it on the activity and atmosphere.

8.13 Hood and Grease Trap Cleaning/Inspection Requirements

In FY19, the expense for hood and grease trap cleaning and maintenance became the responsibility of the F&B Program. According to the Tri-Service Food Code, grease traps, food grinders/disposals, and other plumbing fixtures used to trap, grind or pulverize food wastes shall be cleaned as often as necessary to prevent obnoxious odors and pest harborage. Clean the intake and exhaust air ducts and change the filters so they are not a source of contamination by dust, dirt and other materials. The entire exhaust must be inspected by a properly trained, qualified and certified company in accordance with the type of cooking and volume required by the operation. Please refer to NFPA 96 Standard for Ventilation Control and Fire Protection of Commercial Cooking Operations 11.3 Inspection of Exhaust Systems, located in the ***MWR e-Library***. Upon inspection, if it's found to be contaminated with deposits from grease-laden vapors, the entire exhaust system shall be cleaned by a properly trained, qualified and certified individual/company. The frequency of hood cleaning is determined by operation volume.

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Remember: Hood and grease trap cleaning is an authorized APF/UFM expense.

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It is usually less expensive to obtain your own contract for these services rather than using the BOS contract. A sample statement of work (SOW) for hood cleaning and grease traps is located in the ***MWR e-Library Sample folder***.

8.14 Facility/Capital Improvement Plans

Facility reinvestment is important to keep our infrastructure current with industry trends and to protect our investment. A capital budget is a projection of expenditures for acquisition, construction, renovation, and expansion of capitalized fixed assets such as furniture, fixtures, equipment, and building improvements. Capital purchase and minor construction proposals require thorough and conclusive justification showing projected results and a positive return on investment, including increased net revenue, cost avoidance and/or improved customer services. While maintenance equipment will not have a positive return on investment, installations must thoroughly evaluate and develop a replacement schedule. You can find a ROI template in the ***MWR e-Library Sample folder***.

NAF is used for repair and construction for all Category C facilities. NAVFAC/PWD using O&MN funds should handle all building sustainment and repair that includes "warm/cool and dry" components and the exterior of the building.

Prior to starting a new food operation or implementing modifications to an existing food operation, the food establishment manager or MWR shall submit, via the installation commander and the medical authority, to the installation food safety regulatory authority, the operational specifications including the intended menu, anticipated volume of food to be stored, prepared and sold, food delivery schedules, proposed layout, mechanical schematics, construction materials and finish schedules, proposed equipment types, manufacturers, model numbers, locations, dimensions, performance capacities, and installation specifications (Tri-Service Food Code 5010-1, Chapter 8-201.12).

8.14.1 Minor Construction Projects: Collaborating with CNIC N944 project managers for facility renovation is essential. The N944 project manager will assist with project brainstorming, site visits and project planning, project nomination screening, review of existing facilities for reuse, and gross cost estimating. You as the facility manager should be involved in the project every step of the way. This includes contract proposals, facility design, pre-construction, progression and completion. Attend all meetings that pertain to the project.

The phases of a minor construction project include a SOW, project contract, facility design, construction and occupancy.

Step 1: SOW will need to be developed to create the request for proposal (RFP). A SOW includes:

- ✓ Detailed description of functionality of every space
- ✓ Any special finishes (wall, ceiling, floor)
- ✓ Millwork cabinets, countertops, trash receptacles
- ✓ IT and AV requirements in each space
- ✓ Theme of the building (Bass Pro Shop look)
- ✓ SOW must describe the program standards requirements

Review, review, review! Make sure everything necessary for the project is included and clear, including removal of demolition debris. A good statement of work is crucial to project success and will reduce/eliminate change orders later on in the project.

Step 2: The contracting officer (KO) develops the project contract. Although the KO has the lead, you should be involved with all pre-proposal communications. The KO will typically assign a COR (contracting officer representative) to follow the project and make sure the contractor is fulfilling the terms of the contract. The COR is a liaison between the contractor, the customer (you) and the KO. Official training is required to become a COR. If interested, contact your N94 contracting office for the training requirements.

Step 3: The facility design firm will submit plans in phases for review by all stakeholders. You will assist in reviewing the plans to make sure they meet the requirements of the SOW.

Step 4: The KO issues a notice to proceed (NTP) for construction. It is imperative that you attend the pre-construction meetings to provide support to the project manager and COR. However, it is not your place, nor are you allowed, to provide guidance or direction to the project contractor. All issues, questions or changes must go through the PM and COR. The only one who can give direction to the contractor is the KO.

Step 5: When construction is complete, you will participate in the pre-final and final inspections. Ask the COR for a copy of the contractor's punch list and provide the NAFI punch list to the COR. Get involved with the facility/building system training. Make sure you receive operation and maintenance manuals and as-built drawings. Discuss warranty protocol with COR and PWD.

Note: *If there is any issue with quality or workmanship, discuss refusal to accept the facility with the PM, COR and KO.*

Step 6: The beneficial occupancy date (BOD) is the date when MWR accepts the facility for occupancy. You need to report any facility warranty issues to your PWD POC as soon as you realize the issue. Typically, the occupant only has 12 months to evaluate the facility. It is your responsibility to ensure all issues are addressed before the warranty period has expired. Keep the CNIC N944 project manager updated with any issues that arise. Additionally, one year from the BOD you will analyze facility performance against the projected return of investment (ROI) and patron utilization.

Chapter 9: Furniture, Supplies and Equipment Management

9.1 Dining Furniture

Furniture is a crucial part of the restaurant's experience and is often overlooked. As the manager, you have to consider comfort, cost, durability, and what fits with the atmosphere you are trying to create. This is your customer's first glimpse of the establishment, so your furniture should enhance the facility's theme and décor. You also need to consider the primary use of the facility and optimize the space so that you have the right amount of seating without compromising the flow of customers and wait staff while adhering to fire and safety codes. Is your facility predominantly used as a conferencing and catering center? If so, longer dining tables or large banquet tables can be paired with stackable chairs, which can be easily stored out of the way when they are not in use.

Quality and maintenance are chief considerations when choosing your furniture. Do not make the mistake of buying residential quality furniture, as these pieces will not stand up to heavy use. Additionally, some materials require more maintenance than others, so purchasing low-maintenance materials that deliver style and comfort are best. Regular cleaning and maintenance of tables and chairs will extend the life of each piece. Staff members should be checking the furniture daily for possible rips/tears/stains and removing it from use if needed. To help prepare for furniture replacement, managers should complete a furniture and equipment replacement plan annually detailing the equipment that needs to be replaced.

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Selecting the right furniture today eliminates mismatched furniture tomorrow!

★ ★ ★

9.2 Equipment Management

Various types of equipment are needed to effectively run an F&B operation. All assets with a purchase value of more than $2,500 and a life expectancy of two or more years need to be added to the facility fixed assets listing. Once a Receiving Report for a fixed asset is processed by your business office, a property tag will be generated for your new fixed asset.

Every facility needs to designate, in writing, a property custodian. Upon assignment of this role, the property custodian should conduct a full fixed asset inventory before signing for the inventory. This role usually falls to the facility manager. Your business office requires a fixed asset inventory be completed annually. When the manager is absent for more than 30 days, a successor manager needs to be designated and a physical inventory shall be conducted.

Property that has become unserviceable or is excess to the needs of the activity will be disposed of as follows: used as a trade-in on a similar item, sold to or transferred to another FFR activity, or disposed of in accordance with the current Navy and base disposal regulations.

Fixed assets cannot be removed from the property list until a certificate of disposition is approved by the commanding officer or a designated representative. For details on how to dispose of inoperable equipment and furniture, refer to the ***MWR e-Library MWR Operations Guides*** (N944 Acquisitions) folder.

9.3 Equipment Maintenance

Your food service equipment needs to be in good working order for your operation to run smoothly. To accomplish this requirement, equipment preventative maintenance should be performed to the manufacturer's recommendation and meet appropriate industry standards. Employees who have been trained to maintain the equipment or an off-base contractor can do this task. All pieces of equipment should have an individual cleaning and maintenance plan and schedule. Maintenance records for each piece of equipment should be kept on file including inspections, maintenance and repairs of the equipment, and manufacturers' provided user manuals, warranties and operating guides.

Any equipment that needs to be repaired (e.g., soda fountain) must be removed from service immediately. Removing the equipment from the customer's view is your first option. If the facility does not have excess space to relocate the equipment, clearly mark the piece as inoperable with appropriate, professional-looking signage. The furniture and equipment must be repaired according to the manufacture's specifications, then re-inspected and tested to ensure proper performance prior to customer use.

9.4 Equipment and Supply Storage

The equipment/supply storage should be located within or conveniently located to the dining area. The space should be adequately sized for the furniture, equipment and supplies used regularly by employees. The space should be secured, well-lit and include appropriate, secured shelving. Access to this area should be limited and controlled with basic MWR key control procedures, including frequent inventory of equipment and consumables. This space must comply with local safety policies, including fires, earthquakes, etc., and be in a temperature-controlled climate.

Note: *Key control is an important element of an activity's crime prevention strategy. Poor key and lock control give the impression that no one cares and invites theft. All keys and locks must be controlled, inventoried and issued to the user if they are to be an effective device for protecting property and controlling access to work areas. Each activity must have a primary and alternate key custodian. The key custodians will be appointed in writing to receive, issue and maintain accountability for activity keys. The appointment letter must be posted on or around the key depository.*

9.5 Storage of Personal Items

Street clothing and personal belongings (lunches, bags, phones) can contaminate food, food equipment and food contact surfaces. Proper storage facilities are required for articles such as purses, coats, shoes and personal medications.

Food brought in by employees for personal consumption must be stored separately from food for the general public. Additionally, food storage for personal items must be clearly marked.

Personal medicines that are in a food establishment for the employees' use shall be properly labeled and stored. If the medicine requires refrigeration, it should be stored in a package inside a covered, leak-proof container that is identified as a container for the storage of medicines.

9.6 Miscellaneous Program Supplies

Linens. Before you decide to use a linen service, determine if it is possible to buy and launder your own linens. If you have simple linens without a variety of sizes that require no ironing and are able to make the initial equipment investment, laundering you own linens will most likely be less expensive than using a service.

Conduct market research on linen services offered in your area. Develop a SOW outlining the linen requirement of the operation. Consider the hours of operation, number of tables, sizes of tables, number of table turns per day, storage availability for linens, and other products that are needed from the linen supplier (most offer towels, rags, aprons, kitchen uniforms, floor mats, etc.). Make sure you request references in the SOW. During the evaluation of linen companies, also make sure to ask about all service charges; some companies charge for excess refuse in a dirty linen bag, or energy/environmental charges. Just as with any other supplier, constant vigilance is needed to make sure you are getting what you pay for.

First Aid Kit. F&B facilities must be equipped with appropriate safety equipment that is easily available and ready for use. First aid kits should be checked at least monthly to restock supplies. A complete list of supplies needed for a first aid kit can be found in the ***MWR e-Library Sample folder***. ***Note:*** *Some installations do not allow MWR facilities to have first aid kits and expect emergency services to be called for all accidents. In this situation, emergency phone numbers must be readily available.*

9.7 Cleaning Supplies

In an effort to maintain a safe and clean F&B experience, seating and flooring should be disinfected and sanitized based on manufacturer and industry recommendations. Various cleaning materials can be used to maintain a satisfactory level of cleanliness. For detailed instructions on cleaning food and snack bar equipment, furniture, floors and facilities, refer to the job aids found in the ***MWR e-Library Training folder***. A current safety data sheet (SDS) must be reviewed and accessible to employees in contact with cleaning chemicals and must be available for environmental and safety inspections. Contact your local Safety/Environmental Departments to make sure you comply with local policies. Order from the prime vendor to replenish your cleaning supplies, or visit your local NAF business office for information on local vendor contracts.

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Section 4: FFR SUPPORT SERVICES (N94)

Section 6: FFR SUPPORT SERVICES

The Support Services Division (N94), located on NSA Mid-South in Millington, Tenn., provides support across all N9 programs. These services include NAF human resources, facilities and acquisition, information technology, training, NAF financial management, management evaluation and assistance, and marketing. A brief description of each support function is listed below.

NAF Human Resources (N941)

The CNIC NAF Human Resources Branch manages all NAF civilian personnel matters and coordinates the development of overall policy relating to CNIC NAF Human Resources Programs within the Navy. NAF Human Resources provides assistance and guidance to the CNIC regional managers and field personnel offices with the administration of employee benefits, and the compliance of all policies and procedures that govern CNIC's NAF employees.

If you haven't done so already, meet with your Human Resources representative to learn about the tools that are available to you and the proper submission process applicable to your site. Visit the ***MWR e-Library N94 Training folder*** for job aids to help with various personnel tasks, including personnel management, staffing strategy, personnel actions, how to announce and fill vacant positions, indoctrination of new staff, goals and objectives for staff, work schedules, monitoring performance, performance appraisal, position descriptions, and new manager turnover.

Facilities and Acquisition (N944)

The Facilities and Acquisition Branch is an enterprise support service center that creates timely, cost-effective execution alternatives to deliver better supplies and services for headquarters and Navy field commands, and improved facilities to promote outstanding customer service to our Sailors and their families. These services enhance the community support environment through contracting actions, development of Vehicle Fleet Cards, and the revenue-generating NAF Purchase Card and Single Use Account (SUA) for payment of invoices. The branch provides innovation in planning quality of life facilities for MWR, CYP, NGIS, and the broad alignment within FFR facilities, as well as the provision of responsive NAF professional and construction contracting services to support the development, design, repair, modernization, and construction of FFR facilities. These support activities are further enhanced through Community Support Planning; Facility Sustainment/Restoration Advocacy and Programming; Capital Investment Planning; NAF vehicle and special equipment management; and growing emphasis on energy conservation and emergency response/preparation.

Job aids (found in the ***MWR e-Library N94 Training folder***) will help with procurement, supplies and equipment control, inventory, shrinkage control, facility management, maintenance, facility inspection, correcting facility problems, APF/NAF property disposal, lost or stolen property, and vehicle maintenance.

Information Technology (N946)

The Information Technology Branch manages NAF core business systems and provides application design, development/procurement, configuration, and support for enterprise resource planning systems, including program management, system setup, training, go-live support, and sustainment. The branch also provides help desk support concentrated on NAF systems deployed Navywide, such as NAF financial systems, point-of-sale systems, lodging systems, and family services systems. The IT Branch provides production operations, including LAN administration, Web application servers, database administration, application server administration, OS administration, hardware support, and maintenance of FFR system and network security (DITSCAP/SSAA), and payment card industry (PCI) certifications. It also manages a secure Navywide network for NAF systems that includes NAF financial, HR, and POS systems. All software and equipment needs must be vetted thru the region/installation/CNIC IT Branch prior to purchase.

Training (N947)

The FFR Training Branch develops FFR talent with the leadership, service, sales, and FFR-specific business skills to deliver customer-driven business results. Through a standardized and consolidated blend of face-to-face, virtual instructor-led and asynchronous virtual learning events led by a cadre of FFR certified learning professionals, the Training Branch provides FFR-specific essentials, program-specific development, personal/career development, customized learning events, and Navy-required training performance improvement opportunities. Training opportunities also include: mentoring, internships or on-the-job training/coaching (see the Skills and Competency Glossary in the ***MWR e-Library Training Folder***). For more information on available FFR training opportunities, contact your regional training and performance improvement specialist (TPIS). FFR Training offers learning events free of charge for all FFR employees, regardless of NAF or APF status, rank or grade.

Annual training requirements mandated by DoD and CNIC are located in the Total Workforce Management System (TWMS) (***https://twms.navy.mil/selfservice/login.asp***), which is a secure, web-based Department of the Navy system that allows Navy staff to view, print and update specific personal employment information via one convenient, user-friendly application.

NAF Financial Management (N948)

The NAF Financial Management Branch monitors the management of both APF (via the UFM process) and NAF financial resources in the MWR system to ensure efficient fiscal management and compliance with regulations through analyses of system and field activity APF and NAF budgets and review of financial statements and APF execution. The branch establishes, operates and maintains technical control of the worldwide, centralized NAF budgeting system, including the MWR, civilian MWR, NGIS, and Fisher House Programs. Job aids (found in the ***MWR e-Library N94 Training folder***) will help you with NAF and APF budgeting, monitoring and execution of APF/NAF, analyzing financials, setting fees and prices, and break-even points.

Marketing and Communications (N94P)

The Marketing and Communications Branch provides consistent, accurate and aligned information on FFR programs and services to all customers. The FFR marketing team uses a comprehensive approach to telling the FFR story by creating products such as internal publications, brochures, posters, flyers, banners, videos, social media messaging, smartphone applications and websites. The branch also administers FFR customer and employee satisfaction assessments and MWR market basket surveys.

Marketing is used to communicate information quickly and easily, ensuring that MWR customers are receiving the most up-to-date, relevant information. Contact your installation/region marketing representative for the submission process applicable to your site. In addition, you will find job aids in the ***MWR e-Library N94 Training folder*** that provide step-by-step instructions for various marketing and promotion tasks, including customer communications, marketing plans, advertising and promotion, PAO coordination, commercial sponsorship, effective merchandising, representing the organization, how to effectively advertise and promote programs, evaluating advertising, and program image.

Management Evaluation and Assistance (N9G)

The Management Evaluation and Assistance Branch provides management at all levels with an independent, unbiased review and constructive evaluation of the effectiveness and efficiency with which managerial fiscal responsibilities are being fulfilled. The team performs annual risk management reviews of all non-appropriated funds throughout CNIC (NGIS, MWR, Navy Flying Clubs, Civilian MWRs, Fisher Houses, and War Fighters Family Services). Additionally, upon direction or request, this branch provides management assistance members or teams to regions and installations in various operational areas to assist with on-site operations for select N9 programs and services.

The Fiscal Oversight Skills for Managers and Supervisors training is very beneficial for understanding audit readiness, and the N9G "Tool Box" also provides the field with helpful information on a wide range of subjects, helping to keep managers "audit ready." A few topics you will find in the Tool Box include Cost of Goods Sold, Cash Handling, NAF Personnel, Contracts, and Asset Inventory. See the complete list of training aids at ***http://www.navymwr.org/resources/management_eval_asst/***.

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APPENDICES

Appendix A: MWR ELIGIBLE PATRONS

Active Duty Armed Forces

APF and NAF DoD and Uniformed Services Civilian Employees

Active Reserve

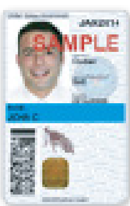
Reserve Retired National Guard Retired

Retired Military

Guard and Reserve Dependent

Active Duty Dependent

100% Disabled Veteran Medal of Honor Recipients



Active Foreign Affiliate (Non-U.S. Citizen)

Retired APF and NAF DoD Civilian Employees

Department of Veterans Affairs

NOT ELIGIBLE to Participate

***Unless authorized by Base CO**

Contractor
Homeland Security
CIA / FBI
International Military
Veterans (except for DAVPRM)

MORALE, WELFARE AND RECREATION

CNIC
★ FLEET ★ FIGHTER ★ FAMILY

Appendix B: KEY REFERENCES

Most frequently-used documents, instructions and policies can be found on the N9 portal at ***www.cnic-n9portal.net*** and the ***www.navymwr.org*** website under the resources tab. Employees with an active CAC and CAC readers on their computers may access additional HR information on the Gateway (G2) internal website at ***https://g2.cnic.navy.mil/tscnichq/N9/N94/N941/default.aspx.***

Below are the most commonly-used instructions and references.

DoD Instructions/Directives: *http://www.dtic.mil/whs/directives/corres/ins1.html*

- DoDI 1015.10 Military Morale, Welfare and Recreation Programs
- DoDI 1015.11 Lodging Policy
- DoDI 1015.12 Lodging Program Resource Management
- DoDI 1015.13 Public-Private Ventures for MWR and NEX
- DoDI 1015.15 Establishment, Management & Control of NAF
- DoDI 4105.71 NAF Procurement Procedures
- DoDI 5500.7R Joint Ethics Regulation
- DoDI 7000.14R Financial Management Regulation
- DoDD 5500.07 Standards of Conduct

SECNAV Instructions: *http://doni.daps.dla.mil/allinstructions.aspx*

- SECNAV 1700.12A Operation of MWR Activities
- SECNAV 4001.2 Acceptance of Gifts
- SECNAV 7043.5B NAF Procurement Policy

OPNAV Instructions: *http://doni.daps.dla.mil/allinstructions.aspx*

- OPNAV 11010.20 Navy Facilities Projects
- OPNAV 1700.7 Responsibility for MWR and NEX Programs
- OPNAV 1710.11 Navy MWR Programs
- OPNAV 4001.1 Acceptance of Gifts
- OPNAV 5100.25 Navy Recreation and Off-duty Safety Program

CNIC Instructions: *https://g2.cnic.navy.mil/Directives/default.aspx*

- CNIC 1710.1 Operation of Unmanned Fitness Spaces
- CNIC 1710.3 Operation of MWR Programs
- CNIC 5300.2 NAF Personnel Manual
- CNIC 7043.1 Procurement Policy for NAF Activities
- CNIC 7000.3 Accounting Procedures for Navy Non-appropriated Funds

Appendix C: MILITARY CUSTOMS AND TRADITIONS

Customs, Courtesies and Traditions

Our nation's flag is to be respected, never defaced or scorned. There are appropriate ways to show respect in the presence of the flag. During the ceremony of hoisting or lowering the flag, or when the flag is passing in a parade or in a review, everyone should face the flag and stand at attention with their right hand over their heart. Military members who are present and in uniform should render the military salute; when not in uniform, a man should remove his hat, if wearing one, with his right hand and hold it at the left shoulder, the hand being over the heart. Also recently authorized by the Secretary of Defense, out of uniform active-duty and retired military personnel may now salute the flag during ceremonies while wearing a hat (cover) or uncovered. Otherwise, the right hand should be placed over the heart while standing at attention. Citizens of other countries should stand at attention.

The salute to the flag in a moving column (such as a parade) is rendered the moment the flag passes. When driving a car on a military installation and "Colors" or "Retreat" (when the national flag is hoisted at 0800 or lowered at sunset on naval bases, or 1700 on Army and Air Force bases) is sounded, stop the car if safe to do so and wait until the ceremony has been completed. If walking, stop, turn toward the flag or music, and stand at attention with your right hand over your heart.

When the flag is displayed during the playing of the national anthem, all present, except those in uniform, should stand at attention facing the flag, with the right hand placed over the heart. A man not in uniform should remove his hat, if wearing one, with his right hand and hold it at the left shoulder, the right hand being over the heart. Persons in uniform stand and render the military salute at the first note of the anthem and hold their salute until the last note is played. When the flag is not displayed, those present should face the music and act in the same manner they would if the flag were displayed there.

Crosswalks: Pedestrians have the right of way, so stop for personnel waiting at crosswalks and be observant to all pedestrians, runners and cyclists.

Attention or All Rise: If you are in a facility or meeting with military personnel, you may hear "Attention" or "All Rise." This is to show respect for a senior official entering the room. Stand until asked to be seated.

Greetings: Sir and ma'am are standard greetings and end responses within the military.

Military Time

The military operates on a 24-hour clock, beginning at midnight (which is 0000 hours).

Midnight (12:00 a.m.)	**0000 hrs**	**Noon (12:00 p.m.)**	**1200 hrs**
1:00 a.m.	**0100 hrs**	**1:00 p.m.**	**1300 hrs**
2:00 a.m.	**0200 hrs**	**2:00 p.m.**	**1400 hrs**
3:00 a.m.	**0300 hrs**	**3:00 p.m.**	**1500 hrs**
4:00 a.m.	**0400 hrs**	**4:00 p.m.**	**1600 hrs**
5:00 a.m.	**0500 hrs**	**5:00 p.m.**	**1700 hrs**
6:00 a.m.	**0600 hrs**	**6:00 p.m.**	**1800 hrs**
7:00 a.m.	**0700 hrs**	**7:00 p.m.**	**1900 hrs**
8:00 a.m.	**0800 hrs**	**8:00 p.m.**	**2000 hrs**
9:00 a.m.	**0900 hrs**	**9:00 p.m.**	**2100 hrs**
10:00 a.m.	**1000 hrs**	**10:00 p.m.**	**2200 hrs**
11:00 a.m.	**1100 hrs**	**11:00 p.m.**	**2300 hrs**

Phonetic Alphabet

A - ALPHA	**H - HOTEL**	**O - OSCAR**	**V - VICTOR**
B - BRAVO	**I - INDIA**	**P - PAPA**	**W- WHISKEY**
C - CHARLIE	**J - JULIET**	**Q - QUEBEC**	**X - X-RAY**
D - DELTA	**K - KILO**	**R - ROMEO**	**Y - YANKEE**
E - ECHO	**L - LIMA**	**S - SIERRA**	**Z - ZULU**
F - FOXTROT	**M - MIKE**	**T - TANGO**	
G - GOLF	**N - NOVEMBER**	**U - UNIFORM**	

Appendix D: SECURITY AND FORCE PROTECTION

You have probably already learned that access to military installations is difficult. There are a few things you should know regarding the practices of our security forces and protection to keep yourself aware and safe. DoD uses the FPCON (Force Protection Condition) system of five progressive levels of anti-terrorism protective measures. The circumstances that apply and the purposes of each protective posture are as follows:

FPCON NORMAL applies when a general global threat of possible terrorist activity exists and warrants a routine security posture. At a minimum, access control will be conducted at all DoD installations and facilities.

FPCON ALPHA applies when there is an increased general threat of possible terrorist activity against personnel or facilities, and the nature and extent of the threat are unpredictable.

FPCON BRAVO applies when an increased or more predictable threat of terrorist activity exists.

FPCON CHARLIE applies when an incident occurs or intelligence is received indicating some form of terrorist action or targeting against personnel or facilities is likely.

FPCON DELTA applies in the immediate area where a terrorist attack has occurred or when intelligence has been received that terrorist action against a specific location or person is imminent.

Each of these levels corresponds to necessary staffing levels. In some cases, the base may change to essential personnel only. Your supervisor can tell you if you or your team members are considered essential personnel and what your duties would be during these elevated threat conditions. Also in conjunction with the FPCON system, you may randomly be selected for a comprehensive vehicle inspection at your arrival to the gate. The vehicles are selected at random to keep us all safe and secure, so you must participate and cooperate with military police and officials during this time.

Installations are frequently conducting exercises that often include base-wide security training. Be aware of messages coming from the Emergency Alert System on base or messages that can be displayed on your computer screen. The messages on the Emergency Alert System can be heard from anywhere on the base and are typically repeated more than once. The exercises are preluded with "EXERCISE, EXERCISE, EXERCISE," and this means that the announcement being made is only a drill. You should still speak with your supervisor about what actions you should take.

Security, emergency planning and preparedness are an important part of the Navy. Be sure to familiarize yourself with facility or program-specific emergency procedures, so that you are prepared in the event of a drill or actual emergency. Making sure you know what to do in case of a fire, earthquake or other natural disasters, and if there are specific muster locations outside your normal workspace, is vital to workplace safety.

Appendix E: RANK INSIGNIAS

Rank Insignias of Navy Commissioned and Warrant Officers

Navy officers wear their rank devices in different places on their uniforms, depending upon the uniform. The three basic uniforms and the type of rank devices are: khakis (a working uniform) – pins on the collar; whites – stripes on shoulder boards; and, blues – stripes sewn on the lower sleeve. Shoulder boards are also worn on bridge coats and reefers. The collar devices are also worn on the right side of the garrison cap (a miniature officer's crest is worn on the left) and slightly larger devices are worn on the epaulets of the raincoat and working jacket.

Additionally, line officers wear a star above the stripes of the shoulder boards or sleeves but staff and warrant officers wear specialty insignia.

Rate Insignias of Navy Enlisted Personnel

The use of the word "rank" for Navy enlisted personnel is incorrect. The term is "rate." The rating badge – a combination of rate (pay grade) and rating (specialty) is worn on the left upper sleeve of all uniforms in grades E-4 through E-6. E-1 through E-3 have color coded group rate marks based upon their occupational field. Group rate marks for E-2 and E-3 are worn on dress uniforms only. Personnel in paygrade E-1 do not wear group rate marks. Chief Petty Officers (E-7 through E-9) wear collar devices on their white and khaki uniforms, and rate badges on their Service Dress Blues.

ARMED FORCES RATE AND RANK INSIGNIA

COMMISSIONED

	ARMY	AIR FORCE	NAVY	MARINE CORPS	COAST GUARD
SPECIAL	GENERAL OF THE ARMY (GA)	GENERAL OF THE AIR FORCE (AF)	FLEET ADMIRAL (FA)	NOT USED IN USMC	NOT USED IN USCG
O-10	GENERAL (GEN)	GENERAL (GEN)	ADMIRAL (ADM)	GENERAL	ADMIRAL (ADM)
O-9	LIEUTENANT GENERAL (LTG)	LIEUTENANT GENERAL (LTGEN)	VICE ADMIRAL (VADM)	LIEUTENANT GENERAL (LTGEN)	VICE ADMIRAL (VADM)
O-8	MAJOR GENERAL (MG)	MAJOR GENERAL (MAJGEN)	REAR ADMIRAL(RADM)	MAJOR GENERAL (MAJGEN)	REAR ADMIRAL (RADM)
O-7	BRIGADIER GENERAL (BG)	BRIGADIER GENERAL (BGEN)	REAR ADMIRAL LOWER (RADML)	BRIGADIER GENERAL (BGEN)	REAR ADMIRAL LOWER (RADML)
O-6	COLONEL (COL)	COLONEL (COL)	CAPTAIN (CAPT)	COLONEL (COL)	CAPTAIN (CAPT)
O-5	LIEUTENANT COLONEL (LTCOL)	LIEUTENANT COLONEL (LTCOL)	COMMANDER (CDR)	LIEUTENANT COLONEL (LTCOL)	COMMANDER (CDR)
O-4	MAJOR (MAJ) (GOLD)	MAJOR (MAJ) (GOLD)	LIEUTENANT COMMANDER (LCDR) (GOLD)	MAJOR (MAJ) (GOLD)	LIEUTENANT COMMANDER (LCDR) (GOLD)
O-3	CAPTAIN (CAPT)	CAPTAIN (CAPT)	LIEUTENANT (LT)	CAPTAIN (CAPT)	LIEUTENANT (LT)
O-2	1ST LIEUTENANT (1ST LT)	1ST LIEUTENANT (1ST LT)	LIEUTENANT JUNIOR GRADE (LTJG)	1ST LIEUTENANT (1ST LT)	LIEUTENANT JUNIOR GRADE (LTJG)
O-1	2ND LIEUTENANT (2ND LT) (GOLD)	2ND LIEUTENANT (2ND LT) (GOLD)	ENSIGN (ENS) (GOLD)	2ND LIEUTENANT (2ND LT) (GOLD)	ENSIGN (ENS) (GOLD)

WARRANT

ARMY	NAVY	MARINE CORPS	COAST GUARD	
CHIEF WARRANT OFFICER 5 (CWO5)	NOT USED IN USN	CHIEF WARRANT OFFICER 5 (CWO-5)	NOT USED IN USCG	W-5
CHIEF WARRANT OFFICER 4 (CWO4)	CHIEF WARRANT OFFICER 4 (CWO4)	CHIEF WARRANT OFFICER 4 (CWO4)	CHIEF WARRANT OFFICER 4 (CWO4)	W-4
CHIEF WARRANT OFFICER 3 (CWO3)	CHIEF WARRANT OFFICER 3 (CWO3)	CHIEF WARRANT OFFICER 3 (CWO3)	CHIEF WARRANT OFFICER 3 (CWO3)	W-3
CHIEF WARRANT OFFICER 2 (CWO2)	CHIEF WARRANT OFFICER 2 (CWO2)	CHIEF WARRANT OFFICER 2 (CWO2)	CHIEF WARRANT OFFICER 2 (CWO2)	W-2
WARRANT OFFICER 1 (WO1)	NO LONGER USED IN USN	WARRANT OFFICER 1 (WO1)	NOT USED IN USCG	W-1

ENLISTED

ARMY	AIR FORCE	NAVY	MARINE CORPS	COAST GUARD	
SERGEANT MAJOR OF THE ARMY (SMA)	CHIEF MASTER SERGEANT OF THE AIR FORCE (CMSAF)	MASTER CHIEF PETTY OFFICER OF THE NAVY (MCPON)	SERGEANT MAJOR OF THE MARINE CORPS (SGTMAJMC)	MASTER CHIEF PETTY OFFICER OF THE COAST GUARD (MCPOCG)	SPECIAL
COMMAND SERGEANT MAJOR (CSM); SERGEANT MAJOR (SGM)	CHIEF MASTER SGT (CMSGT); CHIEF MSTR SGT W/ DIAMOND	FLEET COMMAND MASTER CHIEF PETTY OFFICER; MASTER CHIEF PETTY OFFICER (MCPO)	SERGEANT MAJOR (SGTMAJ); MASTER GUNNERY SGT (MGYSGT)	MASTER CHIEF PETTY OFFICER (MCPO)	E-9
1ST SERGEANT (1ST SGT); MASTER SERGEANT (MSG)	SR MASTER SERGEANT (SMSGT); SR MASTER SERGEANT W/ DIAMOND	SENIOR CHIEF PETTY OFFICER (SCPO)	1ST SERGEANT (1STSGT); MASTER SERGEANT (MSGT)	SENIOR CHIEF PETTY OFFICER (SCPO)	E-8
SERGEANT FIRST CLASS (SFC)	MASTER SERGEANT (MSGT); MASTER SERGEANT W/ DIAMOND	CHIEF PETTY OFFICER (CPO)	GUNNERY SERGEANT (GYSGT)	CHIEF PETTY OFFICER	E-7
STAFF SERGEANT (SSGT)	TECH SERGEANT (TSGT)	PETTY OFFICER 1ST CLASS (PO1)	STAFF SERGEANT (SSGT)	PETTY OFFICER 1ST CLASS (PO1)	E-6
SERGEANT (SGT)	STAFF SERGEANT (SSGT)	PETTY OFFICER 2ND CLASS (PO2)	SERGEANT (SGT)	PETTY OFFICER 2ND CLASS (PO2)	E-5
CORPORAL (CPL); SPECIALIST (SP4)	SENIOR AIRMAN (SRA)	PETTY OFFICER 3RD CLASS (PO3)	CORPORAL (CPL)	PETTY OFFICER 3RD CLASS (PO3)	E-4
PRIVATE FIRST CLASS (PFC)	AIRMAN 1ST CLASS (A1C)	SEAMAN (SN)	LANCE CORPORAL (LCPL)	SEAMAN (SN)	E-3
PRIVATE (PV2)	AIRMAN (AMN)	SEAMAN APPRENTICE (SA)	PRIVATE 1ST CLASS (PFC)	SEAMAN APPRENTICE (SA)	E-2
NO INSIGNIA	NO INSIGNIA	SEAMAN RECRUIT (SR)	NO INSIGNIA	SEAMAN RECRUIT (SR)	E-1

Appendix F: GLOSSARY OF ACRONYMS

A

ALCON . . . . All Concerned

APF . . . . Appropriated Funds

A/P . . . . Accounts Payable

A/R . . . . Accounts Receivable

AWOL . . . . Absent Without Leave

B

BBA . . . . Business Based Action

BLUF . . . . Bottom Line Up Front

BUPERS . . . . . . Bureau of Naval Personnel

C

CAC . . . . Common Access Card

CAPT . . . . Captain

CDC . . . . Child Development Center

CDH . . . . Child Development Home

CDP . . . . Child Development Program

CMC . . . . Command Master Chief

CMD . . . . Command

CNIC . . . . Commander, Navy Installations Command

CNICINST . . . . . Commander, Navy Installations Command Instruction

CNO . . . . Chief of Naval Operations

CO . . . . Commanding Officer

COLA . . . . Cost of Living Allowance

COLS . . . . Common Output Level Standards

CONUS . . . . Continental United States

CT . . . . Crafts and Trade

CYP . . . . Child and Youth Programs

D

DAR . . . . Daily Activity Report

DARS . . . . Daily Activity Report Summary

DOD . . . . Department of Defense

DODI . . . . Department of Defense Instruction

DODDS . . . . Department of Defense Dependents Schools (overseas)

DON . . . . Department of the Navy

E

EEO . . . . Equal Employment Opportunity

EFT . . . . Electronic Funds Transfer

EVAL . . . . Employee Performance Evaluation

F

FAQ . . . . Frequently Asked Questions

FFR . . . . Fleet and Family Readiness

FFSC . . . . Fleet and Family Support Center

FFSP . . . . Fleet and Family Support Program

FH . . . . Family Housing

FLEX . . . . Flexible Employment Category

FOUO . . . . For Official Use Only

FYI . . . . For Your Information

FYSA . . . . For Your Situational Awareness

G

GS . . . . General Schedule

H

HQ . . . . Headquarters

HRO . . . . Human Resources Office

I

ICE . . . . Interactive Customer Evaluation

ICO . . . . Installation Commanding Officer

IDP . . . . Individual Development Plan

IG . . . . Inspector General

INST . . . . Instruction

IPD/M . . . . Installation Program Director/ Manager

K

KRONOS® . . . . . Navy MWR Automated Payroll Time-keeping System

L

LMS . . . . Learning Management System

LWOP . . . . Leave Without Pay

M

MCPON . . . . Master Chief Petty Officer of the Navy

MOA . . . . Memorandum of Agreement

MOU . . . . Memorandum of Understanding

MWR . . . . Morale, Welfare and Recreation

N

NAF . . . . Non-appropriated Funds

NAF . . . . Naval Air Facility

NAFCON . . . . . . Non-appropriated Funds Construction

NAFI . . . . Non-appropriated Funds Instrumentality

NAS . . . . Naval Air Station

NAVBASE/NB . Naval Base

NAVINST . . . . . . Naval Instruction

NAVPERS . . . . . Navy Personnel

NAVSTA . . . . . . Naval Station

NCIS Naval Criminal Investigative Service

NEX . . . . Navy Exchange

NF . . . . NAF Pay Band Employee

NGIS . . . . Navy Gateway Inns and Suites

NKO . . . . Navy Knowledge Online

NL . . . . NAF Crafts and Trades Leader Position

NLT . . . . No Later Than

NMC . . . . Naval Medical Command

NMCI . . . . Navy-Marine Corps Intranet

NS . . . . NAF Crafts and Trades Position

NSA . . . . Naval Support Activity

NTE . . . . Not to Exceed

NWS . . . . Naval Weapons Station

O

OCONUS . . . . . . Outside the Continental United States

OIC . . . . Officer-in-Charge

OJT . . . . On-the-Job Training

OPF . . . . Official Personnel File

OPM . . . . Office of Personnel Management

OPNAV . . . . Office of the Chief of Naval Operations

OPNAVINST . . . . Office of the Chief of Naval Operations Instruction

OPS . . . . Operations

OSD . . . . Office of the Secretary of Defense

P

PAO . . . . Public Affairs Officer

P & L . . . . Profit and Loss

PD . . . . Position Description

POM . . . . Program Objective Memorandum

POR . . . . Program of Record

R

RECTRAC . . . . . Point-of-Sale System

RFT . . . . Regular Full Time

RPD . . . . Regional Program Director

RPM . . . . Regional Program Manager

RPT . . . . Regular Part Time

S

SA . . . . Situational Awareness

SCD . . . . Service Computation Date

SECDEF . . . . . . Secretary of Defense

SECNAV . . . . . . Secretary of the Navy

SITREP . . . . Situation Report

SF . . . . Standard Form

SL . . . . Sick Leave

SME . . . . Subject Matter Expert

SOP . . . . Standard Operating Procedures

SOW . . . . Statement of Work

T

TAD . . . . Temporary Additional Duty

TDY . . . . Temporary Duty

TSP . . . . Thrift Savings Plan

TWMS . . . . Total Workforce Management System

U

UA . . . . Unauthorized Absence

UFM . . . . Uniform Funding Management

UH . . . . Unaccompanied Housing

UIC . . . . Unit Identification Code

V

VR . . . . Very Respectfully

X

XO . . . . Executive Officer

Y

YTD . . . . Year-to-Date

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