



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3044 CATLIN AVENUE
QUANTICO, VIRGINIA 22134-5103

IN REPLY REFER TO:
1700
MRF
23 February 2018

From: Commandant of the Marine Corps

Subj: LETTER OF INSTRUCTION (LOI) FOR ALLOCATION OF FISCAL YEAR 2018
MARINE CORPS COMMUNITY SERVICES COMMAND SUPPORT
APPROPRIATED FUND RESOURCES INCREASE OF \$8.5 MILLION

Ref: (a) CMC (MR) "Memo for Allocation of Fiscal Year 2018 Marine Corps Community
Services Executive Oversight and Direct Command Support Appropriated Fund
Resources" June 7, 2017

Encl: (1) FY18 \$8.5 Million MCCSCS Allocation

1. Situation. The Marine Corps Community Services Command Support (MCCSCS) appropriated fund (APF) profile, formerly known as Executive Oversight and Direct Command Support (EODCS), will increase by \$8.5M in FY18, and potentially across the Future Years Defense Program (FYDP). The Deputy Commandant for Manpower and Reserve Affairs has directed that the application of additional resources be prioritized to sustain capabilities in the best interest of Marines and families. As such, resource disciplines and controls will pertain to both the additive APF and the use of the unencumbered NAF as outlined in reference (a). The additive APF will be allocated ensuring a 1:1 replacement of NAF within MCCSCS, and applying the unencumbered NAF to prioritized deficiencies that focus primarily on capital sustainment or specific investments to position businesses for future sustainment. The execution of NAF must not adversely impact the Metric Report. Regions and installations submitted prioritized requirements for the unencumbered NAF to Business and Support Services Division (MR).

MR reviewed submitted requirements and approved the unencumbered NAF to be used for specific initiatives that sustain or improve an installation's financial position. See Enclosure (1) for a listing of approved initiatives by installation.

2. Mission. To provide the regions and installations guidance on the execution of the \$8.5M of additional APF in MCCSCS in FY18.

3. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. Regions and installations must implement the disciplines and controls outlined in this LOI to ensure the \$8.5M of additional APF in FY18 will be used for a 1:1 replacement of NAF within MCCSCS and that the unencumbered NAF is used for the

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specific initiatives approved by MR.

(2) Concept of Operations

(a) The \$8.5M of additional APF in FY18 that will be used to offset existing MCCSCS expenses, 1:1 APF to NAF replacement, will be allocated in a specific order.

1. Installations in Enclosure (1) that have approved prioritized initiatives and MCCSCS eligible expenses available to offset the additional APF will receive the MCCSCS APF funding as a realignment from MR in FY18. The funding will increase the installations net profit and cash (unencumbered NAF).

2. Installations in Enclosure (1) that have approved prioritized initiatives but do not have the MCCSCS eligible expenses available to offset the additional APF will not receive the MCCSCS APF funding. The following process will occur in this situation.

a. Regions and MR will determine which installations in their reporting structure have the MCCSCS eligible expenses available to offset the additional APF with priority given to installations with the greatest financial need.

b. MCCSCS APF funding will be realigned from MR in FY18 to the installations identified by the regions and MR. The funding will increase the installations net profit only. The cash (unencumbered NAF) generated by the funding will be transferred to the installations in Enclosure (1) to be used for the approved prioritized initiatives.

(b) The \$8.5M of cash (unencumbered NAF) generated in FY18 as a result of the \$8.5M of additional MCCSCS APF funding will be executed in the following manner.

1. Installations in Enclosure (1) that have approved prioritized initiatives will record the cash in the short-term or long-term cash reserve account with a new department code called unencumbered NAF FY18. The new department code will delineate cash funds for this specific purpose.

a. Short-term cash reserve general ledger account code (GLAC) 1120 with new department code (DEPT) UN8.

b. Long-term cash reserve GLAC 1721 with new DEPT UN8.

c. Installations that have already recorded the construction escrow reserve for approved prioritized initiatives can proceed in two ways: 1) transfer the reserve back to operating cash since the funding is now being covered by the \$8.5M allocation or 2) transfer the reserve to DEPT UN8 with the belief that the initiative will cost more than the original submitted

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requirement to MR.

d. Installations reporting seriously low or a negative operating cash balance are exempt from this control and should record these funds in the concentration banking GLAC 1119.

2. Installations will follow current construction processes and procedures for execution and documentation of approved prioritized initiatives.

a. MR Construction will work directly with the installations to determine the appropriate execution method for approved initiatives.

b. Cost overruns associated with approved prioritized initiatives will be locally funded by the installation.

c. Any cash that is not used for its intended purpose as defined in Enclosure (1) will be transferred back to MR and redistributed to the installations whose submitted requirements are next on the list.

d. Once the construction project is completed, the capitalized asset will be transferred to MR if it meets the \$500K threshold or if the original asset is currently on MR books. FF&E will remain an installation asset unless it is in support of a new facility.

b. Subordinate Element Missions

(1) MR: Resource Management Branch (MRF) and Construction Branch (MRD) will:

(a) Communicate periodically with MCCS Directors and CFOs on this process. Provide status updates pertaining to the approved prioritized initiatives.

(b) Schedule meetings, if necessary or requested, with each region and each installation to discuss LOI guidance and specifics pertaining to their organizations.

(2) Regions and installations: MCCS Directors and CFOs will:

(a) Ensure disciplines and controls are followed as outlined in the LOI.

(b) Communicate timely feedback to MR regarding any issues or concerns executing the LOI.

4. Administration and Logistics. This LOI remains in effect until revised by MR. Forward any

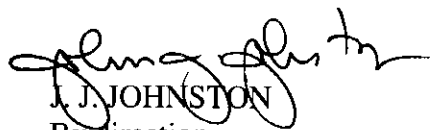
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issues or concerns pertaining to this document to Mr. John Johnston, (703) 784-4145,
john.johnston@usmc-mccs.org.

5. Command and Signal

a. Command. This LOI is applicable to MCCS Directors and CFOs responsible for the operation of MCCS activities aboard Marine Corps bases and stations.

b. Signal. This LOI is effective on the date signed.


J. J. JOHNSTON
By direction

Distribution:

MCCS MCICOM
MCCS MCIEAST, MCB Lejeune
MCCS MCIWEST, MCB Pendleton
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MCCS Finance Officers

FY18 \$8.5 Million MCCSCS Allocation

Installation	Project/Initiative	Funding Amount (\$000)
Albany	MCX Refresh	\$500
Albany	RV Park Laundromat	\$150
Albany	RV Park Expansion	\$450
Butler	Mujuk Curfews Renovation	\$633
Camp Allen	EODCS/Escrow	\$352
Cherry Point	MCX Renovation Escrow	\$150
Hawaii	Wiki Wiki Marine Mart FF&E and Alarm System	\$300
Henderson Hall	EODCS/Escrow	\$750
Iwakuni	Food Truck (22 Ft. Self-contained)	\$175
Lejeune/New River	Stone Bay Marine Mart	\$500
Miramar	Main Exchange and Services Improvements	\$548
Quantico	TCAQ Carpeting, FF&E and Audio/Visual Equipment	\$281
Quantico	Bowling - Snack Bar Renovation	\$125
San Diego	Main Store, Home Store and Marine Mart Consolidation	\$1,000
South Carolina	Beaufort Car Wash Replacement	\$400
Twentynine Palms	MWTC Storage Warehouse Construction	\$780
Yuma	O'Neill Marine Mart Construction	\$485
Yuma	TLF Renovation/Refresh	\$921

Total FY-18 Funds = \$8,500

Regions / HQ			
<u>MCIEAST</u>	<u>Funding</u>	<u>MCINCR</u>	<u>Funding</u>
Albany	\$1,100	Quantico	\$406
Cherry Point	\$150		
Lejeune/New River	\$500	<u>TECOM/HQ</u>	<u>Funding</u>
South Carolina	\$400	Allen	\$352
Total	\$2,150	Henderson Hall	\$750
		San Diego	\$1,000
<u>MCIWEST</u>	<u>Funding</u>	Twentynine Palms	\$780
Miramar	\$548	Total	\$2,882
Yuma	\$1,406		
Total	\$1,954		
<u>MCIPAC</u>	<u>Funding</u>		
Butler	\$633		
Hawaii	\$300		
Iwakuni	\$175		
Total	\$1,108		

POC HQ (MR): John J. Johnston
 Deputy Director & Chief Financial Officer
 Comm: (703) 784-4145

NOTE: Marine Corps Community Services Command Support (MCCSCS) - formerly known as Executive Oversight and Direct Command Support (EODCS)