

BY ORDER OF THE
COMMANDER

HEADQUARTERS, UNITED STATES FORCES, JAPAN
USFJ INSTRUCTION 34-201



30 May 2002

Management of Nonappropriated Funds

AAFES BASIC WAGE OFFSET FUND CONTRIBUTIONS TO COMPONENT MORALE, WELFARE, AND RECREATION ORGANIZATIONS

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

OPR: USFJ/J14 (Thomas G. Markham) Certified by: USFJ/J1 (COL Mary Joyce Mason)
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This publication establishes United States Forces, Japan (USFJ) policy on the utilization of Basic Wage Offset (BWO) funds contributed to components by the Army and Air Force Exchange Service (AAFES), Pacific Region (PAC).

SUMMARY OF REVISIONS

References to payments by GOJ have been revised to reflect changes in payment procedures for IHA labor costs. Reporting requirements have been updated to reflect current reporting formats. The points of contact at Attachment 1 have been updated.

1. **SCOPE.** Applicable to AAFES and all DOD components receiving contributions of BWO funds from AAFES.

1.1. **General.**

1.1.1. AAFES PACRIM has agreed to return to USFJ a portion of the BWO funds it receives under the provisions of the Special Measures Agreement (SMA). Such funds will be paid directly to the Commanders of Fifth Air Force, US Army, Japan, and US Marine Forces, Japan. Utilization of such funds will be in accordance with the guidelines and procedures set forth in this instruction which are based upon agreements between the Government of Japan (GOJ) and the United States.

1.2. **Definitions.**

1.2.1. **Basic Wage Offset (BWO).** Payments by the GOJ for specific labor cost elements made to Indirect Hire Agreement (IHA) employees.

1.2.2. **BWO Application Categories.** The specific purposes for which BWO funds are to be used.

1.2.3. **MWR BWO Funds.** The funds received by components from AAFES.

1.2.4. **NAFI Report.** An annual report to GOJ outlining the use of funds received by IHA organizations from GOJ and IHA operations.

2. PROCEDURES.

2.1. **General.** AAFES will make payments directly to designated components who will maintain accountability, utilize funds in accordance with the criteria set forth in this instruction, and submit annual reports to USFJ as outlined below.

2.1.1. AAFES will return to USFJ twenty-five percent of the BWO funds it receives on a monthly basis, making payments to the designated payees listed in Attachment 1.

2.1.2. Components receiving MWR BWO Funds will establish a separate nonappropriated fund liability account within their accounting systems to maintain separate accountability for these funds.

2.1.3. To enhance the quality of life of US Forces personnel, components will ensure MWR BWO Funds are spent specifically for the direct benefit of US Forces personnel stationed in Japan through the following categories:

2.1.3.1. Category A: Reduced fees for services and rental merchandise or equipment.

2.1.3.2. Category B: Subsidized tours, concerts, recreational activities, movies, etc.

2.1.3.3. Category C: Subsidized transportation (excluding rental vehicles).

2.1.3.4. Category D: Reduced prices of MWR retail merchandise and materials.

3. REPORTS.

3.1. All reports will be in yen in order to maintain accountability of BWO funds.

3.2. AAFES will include the total of all MWR BWO Funds payments under the "Expansion of service/programs" category of the "NAFI Report" and note the specific amount separately in the "Remarks" column. In addition, a separate report of MWR BWO Funds paid, by component, will be provided to HQ USFJ/J1, ATTN: J14.

3.3. Components will provide an annual summary report to HQ USFJ/J1, ATTN: J14 by 1 July each year reflecting MWR BWO Funds received from AAFES during the previous JFY and the expenditures within the categories described in paragraph 2.1.3. above.

3.3.1. In addition, a more detailed supplementary report will be submitted at the same time providing specific details of the four highest expenditures in each of the subcategories listed below, or of expenditures totaling 70% of the total expenditure for each subcategory.

3.3.1.1. Services for which fees were reduced.

3.3.1.2. Rental merchandise or equipment for which fees were reduced.

3.3.1.3. Tours which were subsidized.

3.3.1.4. Concerts and/or movies which were subsidized.

3.3.1.5. Recreational activities which were subsidized.

3.3.1.6. Transportation which was subsidized (excluding rental vehicles).

3.3.1.7. MWR retail merchandise for which prices were reduced.

3.3.1.8. MWR materials for which prices were reduced.

3.3.1.9. Other activities which were subsidized.

3.3.2. This report is in addition to the annual NAFI Report for usage of funds received from GOJ and should follow the format outlined in Attachment 2.

// SIGNED //

GARY H. HUGHEY
Major General, U.S. Marine Corps
Deputy Commander

Attachments:

1. Designated Payees for MWR BWO Funds
2. MWR BWO Funds Report

Attachment 1**Designated Payees for MWR BWO Funds**

DISTRIBUTION: A Plus

HQ USFJ/J1
Unit 5068
APO AP 96328-5068

Commander, AAFES-PAC
Unit 35163
APO AP 96378-5163

AC/S Comptroller
MCB Camp Butler
Unit 35001
FPO AP 96373-5001

Commander, Marine Forces, Japan
MWR/MCB Camp Butler
Unit 35023 ATTN: MASB
FPO AP 96373-5023

HQ USARJ/9TH TAACOM
DCSRM
Unit 45005
APO AP 96343-0054

HQ USARJ/9TH TAACOM
DCSPER/G1
Unit 45005
APO AP 96343-0054

Fifth Air Force
374 SPTG/SVF
Unit 5119
APO AP 96328-5119

Fifth Air Force
374 CPTF/FM
Unit 5117
APO AP 96328-5117

Attachment 1 (cont)
Designated Payees for MWR BWO Funds

5th Air Force:

Payee: Asahi Bank, Acct #0914541, For Yokota AB

Remit to address:

Asahi Bank
Fussa Branch
Fussa, Fussa-shi, Tokyo
#197

Point of Contact:

Mr. Ed Miles
225-9600

Payee: Air Force Central Mgt Fund, For Misawa AB

Remit to address:

The Chase Manhattan Bank
Tokyo Branch
Central Post Box #383
Tokyo Japan
#100-91

Point of Contact:

Mr. David Allen
226-3008

Payee: Air Force Central Mgt Fund, For Kadena AB

Remit to address:

The Chase Manhattan Bank
Tokyo Branch
Central Post Box #383
Tokyo Japan
#100-91

Point of Contact:

Ms Carina Hardy
632-7218

Attachment 1 (cont)
Designated Payees for MWR BWO Funds

US Army, Japan:

Payee: USARJ Inst. MWR Fund

Remit to address:

The Chase Manhattan Bank, N.A.

Acct # 01-55-401755

1-24-1 Minami Aoyama, Minato-Ku

Tokyo 107

Point of Contact:

Mr. Jesse Bascos

Phone: 263-4273

US Marine Forces, Japan:

Payee: Morale Welfare and Recreation, MCB Camp S. D. Butler

Remit to Address:

AC/S Morale Welfare and Recreation

MCB Camp S. D. Butler, Okinawa

Unit 35023

FPO AP 96373-5023

Point of Contact:

Mr. Joe Scanlon

Phone: 645-3082/9107

Attachment 2

JFY ____ MWR BWO FUNDS SUMMARY REPORT	
Reporting Component _____	
Expressed in ¥en	
BEGINNING BALANCE	
MWR BWO FUNDS RECEIVED	
TOTAL AVAILABLE FUNDS	
MWR BWO Funds Applications	
<u>Category A</u> : Reduce fees for services and rental merchandise or equipment	
<u>Category B</u> : Subsidize tours, concerts, recreational activities, movies, etc.	
<u>Category C</u> : Subsidize transportation (excluding rental vehicles)	
<u>Category D</u> : Reduce prices of MWR retail merchandise and materials	
TOTAL APPLICATIONS:	
ENDING BALANCE:	
Reporting Official:	
Title:	
Date:	

Attachment 2 (Continued)

JFY ____ MWR BWO SUPPLEMENTARY REPORT
Reporting Component _____

**DETAILED DESCRIPTION OF FOUR HIGHEST EXPENDITURES
OR 70% OF FUNDS EXPENDED IN EACH SUBCATEGORY**

1. Description _____

Location _____

Cost (in ¥en) _____

Subcategory _____

2. Description _____

Location _____

Cost (in ¥en) _____

Subcategory _____

3. Description _____

Location _____

Cost (in ¥en) _____

Subcategory _____

4. Description _____

Location _____

Cost (in ¥en) _____

Subcategory _____

(Use additional pages as necessary)