**Appendix M
Management Control Checklist for Nonappropriated Fund Projects**

**M-1. Function**

The function covered by this checklist is NAF construction project development and approval.

**M-2. Purpose**

The purpose of this checklist is to assist DPWs and NAF administrators in evaluating the key management controls listed below. It is not intended to cover all controls.

**M-3. Instructions**

Answers provided to questions asked in the checklist must be based on the actual testing of key management controls (such as document analysis, direct observation, sampling, and simulation). Answers which indicate deficiencies must be explained and corrective actions to be taken must be indicated in supporting documentation. These management controls must be evaluated at least once every five years. Certification that such an evaluation has been conducted must be accomplished on [DA Form 11-2-R](http://www.apd.army.mil/jw2/xmldemo/db_lookup/link.htm?doc=DA%20FORM%2011-2-R) (Management Control Evaluation Certification Statement). A copy of DA Form 11-2-R is available on the Army Electronic Library CD-ROM and on the USAPA Web site ( [www.usapa.army.mil](http://www.apd.army.mil/%22%20%5Ct%20%22newwindow) ).

**M-4. Checklist questions**

Questions to be answered are given below, followed by the organization(s) required to answer same in parentheses.

*a.* Have proposed NAF construction projects been checked against the installation master plan to insure inclusion? (Installation.)

*b.* Have NAF construction projects estimated to cost less than $500,000 been reviewed for technical compliance by the IMCOM region? (IMCOM region.)

*c.* Were alternatives to construction examined, evaluated, and rejected before requests for new or replacement facilities were submitted on [DD Form 1391](http://www.apd.army.mil/jw2/xmldemo/db_lookup/link.htm?doc=DD1391" \t "newwindow) (including use of existing or replacement facilities owned by DA, DOD, other federal agencies, state and local governmental agencies, and commercial establishments)? (Installation.)

*d.* Has statistical data on accommodations now in use been analyzed, validated, and included on the DD Form 1391? (Installation.)

*e.* Were analyses of existing facility deficiencies based on quantitative data and the actual condition of the facility? (Installation.)

*f.* Are sizes proposed for MWR facilities based on actual need as opposed to maximum space allowance contained in TI 800-01? (Installation.)

*g.* Was a DOD commissary surcharge and NAF Construction Data Sheet prepared and an economic analysis showing all feasible alternatives included in the [DD Form 1391](http://www.apd.army.mil/jw2/xmldemo/db_lookup/link.htm?doc=DD1391" \t "newwindow) ? (Installation and IMCOM region.)

*h.* Was a DOD commissary surcharge and NAF Construction Data Sheet prepared showing a return-on-investment analysis for each income-generating NAF project? (Installation and IMCOM region.)

*i.* Has the local DOIM activity commander verified and signed a statement to the effect that all information systems requirements have been fully identified and properly programmed? (Installation.)

*j.* Has the need for physical security and AT measures for each NAF project been evaluated and approved by the installation Provost Marshal or Security Officer? (Installation and IMCOM region.)

*k.* Have separate DD Forms 1391 been prepared for collocated projects that use a combination of appropriated funds and NAF funds in a single contract? (Installation and IMCOM region.)

*l.* Have construction projects that combine funding sources been sent to the HQDA (DAIM-OD) for review and approval to combine funds if the total appropriated funds exceed $200,000? (IMCOM region.)

*m.* Has the OACSIM NAFCP report to Congress been approved by the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA (M&RA)) and the Assistant Secretary of the Army for Installations and Environment (ASA (I&E)) prior to submission through the Assistant Secretary of Defense for Personnel Support, Family, and Education (ASD (PS, F&E)) to the House Armed Services Committee (HASC) and the Senate Armed Services Committee (SASC)? (OACSIM.)

*n.* Has notification of approval been received from the HASC, SASC, ASD (PS, F&E), and ASA (I&E) prior to awarding a NAF construction contract in excess of $500,000? (Installation.)

*o.* Have DD Forms 1391 been prepared and executed by the construction agent for appropriated fund and NAF construction? (Installation.)