



Department of Defense

INSTRUCTION

October 6, 2006
Incorporating Change 1, November 15, 2011

USD(P&R)

SUBJECT: Lodging Policy

- References:
- (a) DoD Directive 1015.11, "Lodging Resource Policy," December 9, 1996 (hereby canceled)
 - (b) DoD Instruction 5025.01, "DoD Directives Program," October 28, 2007
 - (c) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008
 - (d) DoD Instruction 1015.12, "Lodging Program Resource Management," October 30, 1996
 - (e) through (k), see Enclosure 1

1. PURPOSE

This Instruction:

- 1.1. Reissues Reference (a) as a DoD Instruction according to the guidance in References (b) and (c).
- 1.2. Establishes policy and assigns responsibilities for the DoD Lodging Program.

2. APPLICABILITY AND SCOPE

This Instruction applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is operating as a Military Service in the Navy by agreement with the Department of Homeland Security), the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense (hereafter referred to collectively as the "DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

3. DEFINITIONS

Terms used in this Instruction are defined in Enclosure 2.

4. POLICY

It is DoD policy that:

4.1. The lodging program shall be established as a professionally managed, business-based, lodging program in support of readiness, mission accomplishment, and improved productivity by providing quality, affordable lodging and hospitality services for a mobile military community. Lodging programs shall be strategically planned, programmed, and executed using business management practices to fulfill local needs and to meet fiscal, health, safety, and force protection standards. Personnel staying in DoD lodging shall have the same quality facilities, furnishings, and services, as they would find in a good quality, mid-level, commercial hotel. To fulfill the lodging mission, the lodging program shall establish and operate customer driven lodging programs as determined by market analysis.

4.2. The lodging program shall include temporary duty (TDY), permanent change of station (PCS), recreational, and military treatment facility (MTF) lodging. Program Group IV TDY and PCS lodging shall provide lodging facilities and services to authorized personnel and maintain maximum occupancy to reduce official travel costs. PCS lodging operated as a Program I Category C Morale, Welfare, and Recreation (MWR) activity is intended to provide safe, convenient, and quality lodging at reasonable prices.

4.3. The lodging program shall follow requirements for the TDY, PCS, recreational, and MTF lodging programs specified in DoD Instruction 1015.12 (Reference (d)) and shall meet DoD lodging standards for TDY, PCS, and hotel-like recreational lodging facilities (Reference (e)).

4.4. According to DoD Instruction 1015.15 (Reference (f)), Program Group IV Lodging Program Supplemental Mission Fund nonappropriated fund instrumentalities (NAFIs) shall be established where nonappropriated funds (NAF) are generated through the operation (direct or contracted) of the TDY, PCS, and MTF lodging programs. PCS lodging programs are included in Program Group I when operated as part of the military Category C MWR program. The TDY and PCS lodging program NAF assets may be combined and administered in a single NAFI. A distinct and separate MTF lodging supplemental mission fund NAFI shall be established. Recreational lodging programs are operated as an integral part of a Program Group I Military MWR Program NAFI in accordance with DoDI 1015.10.

4.5. NAFIs supporting the lodging programs shall conform to the resource management requirements in Reference (f). NAF from TDY and PCS lodging operated as a Program Group IV NAFI shall only be used for expenditures in support of the Lodging Fund NAFI and associated TDY and PCS lodging programs. Funds from Program Group I PCS and recreational lodging programs shall be used in accordance with Reference (g). MTF lodging NAF shall only be used for authorized NAF expenditures in support of the MTF Lodging Fund NAFI and the

MTF lodging program. MTF resources shall not support the TDY, PCS, and recreational lodging programs, or vice versa. Recreational lodging revenue is deposited in the single MWR fund, except for revenues from the Armed Forces Recreational Centers, which deposit revenue in a separate NAFI.

4.6. The Lodging and MTF Lodging funds shall maintain self-sufficiency, with NAF resources generated and appropriated fund (APF) and private sources made available to support operational and recapitalization requirements. On an annual basis, the Lodging and MTF Lodging NAFIs at the consolidated Military Service level shall achieve, as a minimum a break-even or positive net income (after depreciation) sufficient to provide for NAF capital requirements. Break-even financial results are defined as a zero or better net income before depreciation.

4.7. The lodging physical plant shall be developed and managed as a primary asset. Lodging facilities shall adequately support programs and services that meet the demands of authorized patrons through adequate recapitalization, sustainment, restoration, and modernization. A five-year recapitalization plan shall be developed and maintained. The number of lodging rooms constructed shall be based on patron historical data and future mission changes that might affect patron traffic. Program Group IV PCS lodging facilities shall be constructed to meet the demand of authorized PCS official travelers, and Program Group IV TDY lodging facilities shall be constructed to meet the demand of authorized TDY official travelers. Program Group I PCS and recreation lodging facilities shall be scoped based on a completed project validation assessment (PVA), which includes a market analysis of PCS and other authorized patrons. Construction of lodging facilities shall conform to funding sources and reporting requirements of Reference (d), Reference (f), and DoD Instruction 7700.20 (Reference (h)).

4.7.1. Program Group IV TDY and PCS Lodging construction project justification shall include the number of TDY personnel per year and/or number of PCS families per year; number of rooms (lockable units) occupied by space available customers per year; occupancy rate percent by market segment for existing lodging facility per year; and number of nonavailability bed nights per year, and number of bed nights referred to commercial hotels. Program Group I lodging project justification shall be based on a business case for construction and shall be supported by feasibility studies."

4.7.2. Recreational Vehicle (RV) Parks project justification shall include the number of RVs, camping trailers, and trailers per year; the high season months and occupancy rate percent per year; identify the low season months and occupancy rate percent per year, and the number of RVs, camping trailers, and trailers per year turned away or delegated to overflow RV spaces because park was full.

4.7.3. Project justification for a TDY Lodging NAF construction funding waiver shall include the following completed statement: "This project was submitted and determined to be unfunded in the FY [insert appropriate year] Military Construction Program. Confirmation (attached) was received from [Military Service authorizing official] that APFs are not available and approval is requested from OSD (Personnel and Readiness) to use NAFs for the TDY lodging construction project."

4.8. Guests occupying government lodging shall be charged a per day room rate. Program Group IV TDY, PCS, and MTF room rates are service charges and shall be established at the minimum amount necessary to fund cash flow requirements as determined by the Military Service command. PCS and recreational lodging operated as Category C MWR activities shall set room rates at the minimum amount necessary to support program operation and recapitalization requirements. Room rates shall not be established based on a percentage of per diem. Primary occupants on official travel shall be charged the same rate for similar lodging accommodations. Revenue from leisure travel occupants in Program Group IV TDY and PCS facilities shall accrue to the Lodging Fund. In TDY, PCS, recreational, or MTF lodging, a leisure traveler will not be charged a rate lower than that charged to an official traveler in like accommodations.

4.9. Depending on the nature of the element of expense, lodging programs may be resourced from APFs or NAFs. Specific fund sources for Program Group IV TDY, PCS, and MTF lodging are specified in Enclosure 4 of Reference (d), while Program Group I PCS and recreational lodging fund sources are specified in Enclosure 6 of Reference (g). APF and NAF authorizations for Lodging Supplemental Mission Fund NAFIs are specified in Reference (f).

4.10. The lodging program shall provide lodging support to all authorized patrons and activities supported by the installation.

5. RESPONSIBILITIES

5.1. The Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)), under the Under Secretary of Defense for Personnel and Readiness, shall:

5.1.1. Serve as the principal DoD point of contact with the DoD Components on all lodging policy matters

5.1.2. Provide lodging oversight, guidance, and procedures to ensure proper administration and management of the DoD lodging program and monitor compliance with these procedures and guidance.

5.1.3. Establish working groups composed of representatives from the DoD Components to assist in the formulation and review of lodging policies.

5.2. The Heads of the DoD Components shall:

5.2.1. Issue policies and procedures to implement this Instruction.

5.2.2. Administer and professionally manage business-based lodging programs to ensure compliance with lodging program management and funding policies.

5.2.3. Shall provide lodging support to all authorized patrons and activities supported by the installation.

5.2.4. Develop and manage the lodging physical plant as a primary asset through adequate sustainment, restoration, modernization and recapitalization to include developing and maintaining a five-year recapitalization plan.

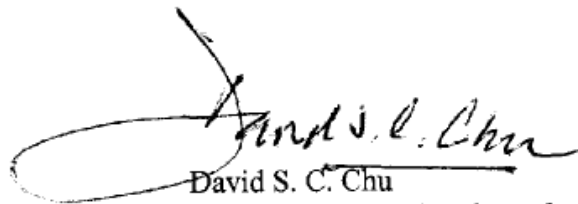
5.2.5. Implement lodging program procedures as identified in Reference (d).

6. RELEASABILITY. UNLIMITED. This Instruction is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. SUMMARY OF CHANGE 1. The changes to this issuance are administrative and update references for accuracy.

8. EFFECTIVE DATE

This Instruction is effective immediately.



David S. C. Chu
Under Secretary of Defense for
Personnel and Readiness

Enclosures – 2

E1. References, continued

E2. Definitions

E1. ENCLOSURE 1

REFERENCES, continued

- (e) Under Secretary of Defense for Personnel and Readiness, Principal Deputy (Force Management Policy) Memorandum, “DoD Lodging Program Standards,” September 1, 1999
- (f) DoD Instruction 1015.15, “Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources,” October 31, 2007
- (g) DoD Instruction 1015.10, “Military Morale, Welfare, and Recreation (MWR) Programs,” July 6, 2009
- (h) DoD Instruction 7700.20, “Commissary Surcharge, Nonappropriated Fund (NAF), and Privately Financed Construction Policy,” November 10, 2005

E2. ENCLOSURE 2

DEFINITIONS

The following terms are uniquely defined for the purpose of this Instruction:

E2.1. APF. Monies provided by the Congress, under statutory authority, from the U.S. Treasury for specified purposes.

E2.2. Customer Driven. Programs and services provided based on customer input and support.

E2.3. Installation. Any real property or area that is controlled, owned, leased, or funded by the Department of Defense.

E2.4. Lodging Program. The Department lodging program includes TDY, PCS, recreational, and military treatment facility lodging. More detailed definitions are contained in Reference (d).

E2.5. Market Analysis. Identification and definition of the market that includes program and financial analysis of requirements and capabilities to meet those requirements and needs, including private sector capabilities, if applicable.

E2.6. Military Treatment Facility (MTF) Lodging. Lodging facilities and services used only by patients and their families while undergoing critical medical procedures or other serious long-term medical treatment at a major MTF. Initially, MTF lodging facilities are provided as donated, fully usable (turnkey) facilities.

E2.7. NAF. Monies or other assets derived from sources other than congressional appropriations and commissary surcharge funds, primarily from the sale of goods and services to DoD personnel and their family members that are used by a NAFI to support or provide authorized programs. Separate and apart from funds that are recorded on the books of the Treasury of the United States, NAFs are government funds used for the collective benefit of those who generate them.

E2.8. NAFI. A DoD organizational and fiscal entity that is supported, in whole or in part by NAF. It acts in its own name to provide or assist the Secretaries of the Military Departments in providing programs for DoD personnel. It is not incorporated under the law of any State or the District of Columbia, but has the legal status of an instrumentality of the United States.

E2.9. Permanent Change of Station (PCS) Lodging. Quality lodging facilities and services to meet the needs of active duty members and their families who are in a PCS status and normally include kitchen facilities.

E2.10. Recreational Lodging. Lodging facilities and services collocated with military recreational areas to support recreation, and where the vast majority of occupancy is by unofficial travelers.

E2.11. Temporary (TDY) Lodging. The primary source of quality lodging facilities and services for TDY personnel and is used if the lodging meets minimum DoD lodging standards and is available for occupancy.