

Army Regulation 215-1

Morale, Welfare, and Recreation

**Military Morale,
Welfare, and
Recreation
Programs and
Nonappropriated
Fund
Instrumentalities**

**Headquarters
Department of the Army
Washington, DC
24 September 2010**

UNCLASSIFIED

SUMMARY of CHANGE

AR 215-1

Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities

This administrative revision, dated 12 August 2019—

- o Adds records management (recordkeeping) requirements (para 1-5).
- o Changes title of DA Form 3031 from “Qualification Card for Use of Arts and Crafts Center Equipment” to “Arts and Crafts Center Safety and Equipment Qualification Card” and converts the form from paper-based to fillable online (para 8-9).
- o Changes title of DA Form 3031-1 from “Qualification Card for Use of Automotive Crafts Shop Equipment” to “Automotive Skills Shop Safety and Equipment Qualification Card” and converts the form from paper-based to fillable online (para 8-10).
- o Corrects form titles (app A).

Effective 8 October 2010

Morale, Welfare, and Recreation

Military Morale, Welfare, and Recreation Programs and Nonappropriated Fund Instrumentalities

By Order of the Secretary of the Army:

GEORGE W. CASEY, JR.
General, United States Army
Chief of Staff

Official:


JOYCE E. MORROW
Administrative Assistant to the
Secretary of the Army

Assistant Chief of Staff for Installation Management. The proponent has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The proponent may delegate this approval authority, in writing, to a division chief within the proponent agency or its direct reporting unit or field operating agency, in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25-30 for specific guidance.

improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-PO-P), 4700 King Street, Alexandria, VA 22302-4419.

Committee management. The Department of the Army Committee Management official concurs in the establishment and/or continuance of the committee(s) outlined herein. AR 15-1 requires the proponent to justify establishing/continuing committee(s), coordinate draft publications, and coordinate changes in committee status with the U.S. Army Resources and Programs Agency, Department of the Army Committee Management Office (AARP-ZA), 2511 Jefferson Davis Highway, Taylor Building, 13th Floor, Arlington, VA 22202-3926. Further, if it is determined that an established "group" identified within this regulation, later takes on the characteristics of a committee, the proponent will follow all AR 15-1 requirements for establishing and continuing the group as a committee.

History. This publication is an administrative revision. The portions affected by this administrative revision are listed in the summary of change.

Summary. This regulation implements Department of Defense and congressional policies. It contains administration, operation, and management policies governing the Army's morale, welfare, and recreation programs and general policies on nonappropriated fund instrumentalities.

Applicability. This regulation applies to the Regular Army, and where stated to the Army National Guard/Army National Guard of the United States and the U.S. Army Reserve.

Proponent and exception authority. The proponent of this regulation is the

Army internal control process. This regulation contains management control provisions and identifies key management controls that must be evaluated (see chap 18 and app N).

Supplementation. Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval from the Assistant Chief of Staff for Installation Management (DAIM-ZXA), 600 Army Pentagon, Washington, DC 20310-0600.

Suggested improvements. Users are invited to send comments and suggested

Distribution. This regulation is available in electronic media only and is intended for the Regular Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

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*This regulation supersedes AR 215-1, dated 22 June 2010.

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Glossary

Chapter 1

Purpose, Principles, and Objectives

1–1. Purpose

This regulation establishes policy, prescribes procedures, and assigns responsibilities for Army Morale, Welfare, and Recreation (MWR) programs and nonappropriated fund instrumentalities (NAFIs) encompassing the garrison MWR operating entities and includes NAFIs of the Department of Defense (DOD) established in accordance with Army policies herein.

1–2. References and forms

Required and related publications and prescribed and referenced forms are listed in appendix A.

1–3. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are listed in the glossary.

1–4. Responsibilities

Responsibilities are listed in chapter 2.

1–5. Records management (recordkeeping) requirements

The records management requirement for all record numbers, associated forms, and reports required by this regulation are addressed in the Army Records Retention Schedule-Army (RRS-A). Detailed information for all related record numbers, forms, and reports are located in ARIMS/RRS-A at <https://www.arims.army.mil>. If any record numbers, forms, and reports are not current, addressed, and/or published correctly in ARIMS/RRS-A, see DA Pam 25-403 for guidance.

1–6. Authority

Army NAFIs/entities, NAFIs operated by the Army for DOD agencies, and MWR programs are established, maintained, and disestablished under sole authority of this regulation. Department of Defense policies contained in DOD Directive (DODD) 1015.2 and DOD Instructions (DODIs) 1015.10, 1015.13, and 1015.15 are implemented in this regulation.

1–7. Exclusions

a. The Army and Air Force Exchange Service (AAFES) is a joint service NAFI operated and established by authority of the respective service Secretaries. It is exempt from the provisions of this regulation unless otherwise specified herein or in AAFES policies.

b. The following funds and related activities are exempt from the provisions of this regulation unless stated otherwise in other applicable regulations or herein. The appropriate governing regulation, where applicable, is indicated in parentheses.

- (1) Army Emergency Relief funds (AR 930–4).
- (2) Prisoner of war funds.
- (3) Patient trust funds.
- (4) Prisoner personal deposit funds.
- (5) Donor deposit funds.
- (6) Funds established for the benefit of civilian employees of the Corps of Engineers.
- (7) Contractor and subcontractor funds on Department of the Army (DA) garrisons, including funds established for contractor employees and concessionaire funds.
- (8) Funds of labor union locals, veterans' organizations, banks, and credit unions.
- (9) All funds accounted for under U.S. Treasury symbols and resources acquired with appropriated funds (APFs), such as the Trust Revolving Fund Account and Army Commissary Surcharge Fund.
- (10) Funds established by private organizations (POs) authorized to operate on Army garrisons (AR 210–22).
- (11) U.S. Military Academy (USMA) Cadet Mess Ration Fund and personal trust funds (AR 210–3).
- (12) U.S. Soldiers' and Airmen's Home personal trust funds.
- (13) Funds generated by blind vendors operating under authority of the Randolph-Sheppard Act (AR 210–25).
- (14) Chaplain's Nonappropriated Funds (AR 165–1).
- (15) The U.S. Army Nonappropriated Fund Employee Retirement Plan Trust.

- (16) The U.S. Army Nonappropriated Fund Employee 401(k) Savings Plan Trust.
- (17) Department of the Army Welfare Fund (AR 230–3).
- (18) Informal funds (AR 600–20).
- (19) Civilian Welfare Funds and Post Restaurant Funds (AR 215–7).

1–8. Nonappropriated fund instrumentality structure

Nonappropriated fund instrumentalities are classified into six program groups and further classified into three funding categories. Chapter 3 outlines the NAFI structure.

1–9. Concept

a. The Army MWR program is a quality-of-life program that directly supports readiness by providing a variety of community, Soldier, and Family support programs, activities, and services. Included are social, fitness, recreational, educational, and other programs and activities that enhance community life, foster Soldier and unit readiness, promote mental and physical fitness, and generally provide a working and living environment that attracts and retains quality Soldiers.

b. The range of MWR programs offered at Army garrisons is based on the needs of authorized patrons who work and reside there. Programs are managed by garrison commanders within the framework of authorized and available APFs and nonappropriated funds (NAFs). Nonappropriated funds are those funds that are locally generated by MWR programs or provided by Region directors and/or the Army Morale, Welfare, and Recreation Fund (AMWRF). AAFES dividends are also a source of NAFs.

c. Each MWR program is classified by category. Categories are determined by their effect on the military mission and their ability to generate revenue. Chapter 3 outlines the three categories of MWR programs.

1–10. Principles

a. Morale, Welfare, and Recreation programs are designed to meet the needs of the garrison community. This includes Soldiers, units, retirees, civilian employees, and Families.

b. Morale, Welfare, and Recreation programs are prioritized based on their impact on readiness.

c. Morale, Welfare, and Recreation programs support readiness, well-being, recruiting, and retention of highly qualified Soldiers.

d. Nonappropriated funds are returned to Soldiers, their Families, and other authorized patrons by providing needed MWR programs, services, and capital improvements.

e. Program management is based on long-range planning, generation of NAF resources, and application of authorized APF resources to meet current operating requirements while providing for reinvestment in programs, facilities, and equipment.

1–11. Objectives

The MWR program—

a. Supports combat readiness and effectiveness.

b. Supports recruitment and retention of quality personnel.

c. Provides leisure time activities, which support a quality of life commensurate with generally accepted American values.

d. Promotes and maintains the mental and physical well-being of authorized personnel.

e. Fosters community pride, Soldier morale, and Family wellness and promotes unit esprit de corps.

f. Eases the impact of unique aspects of military life, such as frequent relocations and deployment.

Chapter 2 Responsibilities

2–1. Secretary of the Army

The Secretary of the Army (SA) will—

a. Establish, maintain, and disestablish Army NAFIs/entities. This authority is delegated within the Army as provided for in this regulation (chap 3) and other pertinent regulations, with the exception that authority to establish joint NAFIs is not further delegated.

b. Coordinate on joint service matters with the Under Secretary of Defense for Personnel and Readiness.

c. Designate the Assistant Chief of Staff for Installation Management (ACSIM) as the Army Staff (ARSTAF) proponent and focal point for all MWR programs and NAFIs.

d. Designate financial oversight of APF and NAF to the Assistant Secretary of the Army for Financial Management and Comptroller (ASA (FM&C)), and responsibility for MWR, NAFs/entities, and personnel to the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA (M&RA)).

2–2. The Assistant Chief of Staff for Installation Management

The Assistant Chief of Staff for Installation Management (ACSIM) will—

- a.* Serve as the ARSTAF proponent for MWR and related programs, NAF and APF management of MWR programs and NAFs, and Armywide MWR and NAFI policy.
- b.* Exercise ARSTAF supervision over the Installation Management Command (IMCOM) and Family and Morale, Welfare and Recreation Command (FMWRC) in matters pertaining to Army MWR APFs and NAFs and NAFIs.
- c.* Endorse, promote, and ensure compliance of Army MWR baseline standards.
- d.* Articulate funding requirements identified by Army MWR baseline standards to the Secretary of the Army, DOD, and Congress.

2–3. The Commander, Installation Management Command

The Commander, Installation Management Command (IMCOM) will—

- a.* Act as single integrator and synchronizer with IMCOM Regions, the ARSTAF/ACSIM, FMWRC functional proponents, and major Army commands (MACOMs), as needed, to resolve execution issues.
- b.* In coordination with FMWRC, assist in the development, integration, and reporting of Army MWR baseline standards.
- c.* Fund all MWR manpower authorizations, contractors, and requirements coded as MWR Utilization, Support and Accountability (USA) Uniform Funding and Management (UFM) funding practice reimbursable (in the appropriate Management Decision Evaluation Packages (MDEPs), to include Child Development Services (QCCS), Youth Services (QYDP), Soldier MWR (QDPC), and HQ overhead (QMIS).
- d.* In accordance with this regulation and *c*, fund authorized NAF accounting costs (for NAFs/entities) incurred in support of MWR operations.
- e.* Comply with congressional and DOD guidance to fund valid APF requirements with APFs through maximum use of MWR USA or UFM funding practices.
- f.* Promote and evaluate consistency, efficiency, predictability, and best business practices of MWR programs across IMCOM Regions.
- g.* Distribute congressional authorizations and appropriated fund monies for MWR programs in coordination with FMWRC.
- h.* Provide oversight, management, and accountability for MWR programs. Ensure adherence to applicable law and DOD/HQDA policies and regulations.
- i.* Receive and allocate NAF resources generated by other than direct garrison operations, to include items such as Army Banking and Investment Fund interest, garrison share of AAFES revenue, Army Simplified Dividend, or Army Recreation Machine Program (ARMP) revenue, in accordance with published financial management guidance.
- j.* Manage MWR Funds, as required.
- k.* Uniformly implement MWR programs and policies.
- l.* Review and approve APF budgets and provide program objective memorandum (POM) submissions to ensure installations' assess requirements and to promote equitable distribution of resources.
- m.* Approve installation-generated NAF budgets and submit them in accordance with annual budget guidance.
- n.* Track and analyze program performance and budget execution relative to established MWR baseline and Installation Status Report III standards.
- o.* Conduct accreditation, certification, inspection, and assistance programs for garrisons; use interregional program specialists and FMWRC assets where appropriate; and regional proponent support for fire, engineers, and safety for Regional Child and Youth Evaluation Teams.
- p.* Develop centralized NAF contracting support where and when feasible and provide oversight of NAF procurement offices.
- q.* Provide oversight and accountability of the MWR program centrally managed management information systems (MISs).
- r.* Execute MWR Management Control Program and Risk Management Program in accordance with AR 11–2.
- s.* Coordinate, review, and approve garrison NAF major construction requirements and capital purchases and minor construction (CPMC) above garrison approval level in accordance with chapter 15 of this regulation and AR 420–1.
- t.* Coordinate, review, and approve garrison military construction, Army (MCA) designs and projects to ensure compliance with Army standard designs and best practice principles.

- u.* Support MWR requirements for deployment/mobilization and contingency operations, to include designation of emergency essential (E–E) civilians, as appropriate.
- v.* Establish working group or executive committee for MWR program oversight.
- w.* Serve as proponent for MWR MCA requirements in coordination with the engineers.
- x.* The Installation Management Command Southeast Region will support the Army National Guard and USAR for unit fund actions and will effect necessary liaison to accomplish this support.
- y.* The Installation Management Command Northeast Region will coordinate funding requests for MWR programs of Army school commandants.

2–4. Garrison commanders

Garrison commanders will—

- a.* Ensure adherence to applicable law and DOD/Headquarters (HQ) DA policies and regulations.
- b.* Plan, manage, fund, and operate MWR programs and services based on Army baseline standards.
- c.* Develop annual NAF budgets and manage APF MDEPs (QCCS, QYDP, QDPC, and OSD funding) and NAF resources. Ensure programs and activities are managed and operated on a sound financial basis, are in compliance with Army policy, and are consistent with established financial performance, program performance, and facility standards and MWR baseline standards.
- d.* Conduct annual program reviews, customer needs assessments, and annual updates to the MWR 5-year garrison plans and strategic business plan.
- e.* Ensure personnel are properly trained in customer service and program specific competencies.
- f.* Coordinate with servicing Civilian Personnel Advisory Center (CPAC) to ensure that NAF employees and organizations receive timely support.
- g.* Perform NAF procurement as authorized by policy in AR 215–4 and other applicable policies.
- h.* Execute CPMC projects in accordance with approved NAF budget.
- i.* Employ public affairs and marketing and advertising resources to inform population about MWR programs.
- j.* Identify APF requirements based on DOD/Army/MWR program baseline standards for inclusion in the garrison base operations budget.
- k.* Plan, develop, and submit MCA requirements.
- l.* Prepare and update plans for operation during mobilization and contingency.
- m.* Plan for MWR support during mobilization, wartime, and contingency operations.
 - (1) Validate garrison and unit MWR personnel requirements identified in the E–E civilian program.
 - (2) Resource and assist units in the identification and procurement of MWR/athletic and recreation (A&R) deployment kits.
- n.* Enforce use of MWR centrally managed MIS (see chap 13). Implement, operate, and provide technical support for approved MWR management information systems.
- o.* Support all military units, provide normal garrison support for tenant organizations, and provide support for the USAR, National Guard, and Accessions Command. Outside the continental United States (OCONUS) may support other Government agencies. Implement interservice support agreements, when required.
- p.* Provide authorized local administrative and logistical support to FMWRC concert series and other touring groups and shows scheduled through Armed Forces entertainment outlined in AR 215–6.
- q.* Review inspection results and accidents involving MWR activities, programs, and patrons and initiate corrective action as necessary to prevent personal injury and property damage.
- r.* Ensure statutory labor relations obligations are met, where applicable, in implementation of this regulation.

2–5. Commander, Family and Morale, Welfare and Recreation Command

The Commander, Family and Morale, Welfare and Recreation Command (FMWRC) will—

- a.* Develop program guidance, standards, and procedures to implement approved Army policies.
- b.* Sit on or designate a representative to sit on the AAFES and other BODs, as directed.
- c.* Develop plans, strategies, programs, policies, and operating guidance for the management and administration of a full range of MWR programs (see chap 3, fig 3–1). Create and coordinate the MWR programs’ strategic plans. Disseminate guidance through the IMCOM for synchronization, integration, and implementation.
- d.* Develop organization and operation agreements or memorandum of agreement (MOA) to define procedures and responsibilities for management, oversight, and support of MWR programs in coordination with the IMCOM.
- e.* Support commanders of deployed units with MWR planning and/or execution of MWR in accordance with FM 1–0 (see chap 9).
- f.* Formulate and promulgate best business practices in coordination with IMCOM.

- g. Serve as the point of contact (POC) for congressional and higher HQ inquiries.
- h. Develop and execute public affairs, command information, media relations, and marketing and advertising plans.
- i. Administer and execute MWR internal review and management control programs in accordance with ARs 11–2 and 11–7.
- j. Act as the primary action and liaison official for external audits of MWR programs.
- k. Continually review the MWR programs to quantify and profile requirements.
- l. Research, test, evaluate, and establish alternative business strategies and identify ways to improve business processes and program practices.
- m. Support IMCOM with management and technical assistance.
- n. Develop and execute career management strategies and programs to develop Career Field 51 employees and provide input and recommendations for CF 34 (Librarians) and CF 27 (Housing Management), and operate the MWR Career Referral Program.
- o. Operate and administer health, life, retirement, savings, and other benefit programs for NAF employees.
- p. Develop and deliver training for MWR program managers. Centrally fund training approved for inclusion in the MWR Master Training Program.
- q. Administer and execute NAF major construction (MC) program to include category C public private ventures (PPV).
- r. Develop standards and exercise oversight for the NAF procurement program (AR 215–4).
- s. Execute NAF procurement in accordance with applicable laws and regulations.
- t. Develop accreditation, certification, and inspection programs for MWR programs for IMCOM implementation.
- u. Develop program standards, benchmarks, outcome criteria, and operating guidance for management of MWR programs for IMCOM implementation.
- v. Operate the Armed Forces Recreation Centers (AFRCs) and ARMP.
- w. Oversee, manage, and control the Army MWR MISs and the MWR Configuration Control Board process.
- x. Manage MWR financial management process and provide necessary information for IMCOM synchronization of resources and issues.
- y. Operate and administer common support NAF financial management functions such as banking, investment, and insurance and establish investment oversight groups for each activity that invests NAFs.
- z. Administer the Army MWR and Army Recreation Machine (ARM) trust funds. The AMWRF is the successor-in-interest to IMCOM Regions and other designated NAFIs.
- aa. Review and approve requests for establishment of all Army NAFIs/entities and DOD agencies requesting NAFI establishment under the Army's policies and appoint advisory groups for DA-level NAFIs.
- bb. Serve as the POC for joint service policy pertaining to the AAFES, to include recommending policy to the ACSIM for, and publication of, applicable joint service regulations. Serve as DA POC for and represent the Army on joint service committees and working groups, to include DOD MWR committees. Serve as executive agent responsible to the OSD for the annual consolidated MWR Financial and Personnel Management Report (see chap 16, sec VI).
- cc. Serve as DOD POC for DODI 1015.09 and Army POC for funding Boy and Girl Scout programs overseas.
- dd. Designate Army representatives to the Inter-Service Sports Committee, the U.S. Olympic Committee, the Amateur Athletic Union, and other national sports governing bodies as appropriate and direct and control Army participation in interservice, national, and international events and Army World Class Athlete Program (WCAP) (see chap 8).
- ee. Obtain copyright and royalty clearances, as required, for Armywide sponsored entertainment events.
- ff. In coordination with the U.S. Army Soldier Support Center and U.S. Army Training and Doctrine Command (TRADOC), develop MWR doctrine, policy, and operations procedural guidance for mobilization, contingencies, and wartime. Delineate unit/individual responsibilities.
- gg. Produce the U.S. Army Soldier Show.
- hh. Develop specifications and standards for procurement and distribution of library materials and administer a supplemental acquisition program.
- ii. Integrate Army Pest Management Program requirements into Army MWR programs and NAFIs in accordance with AR 200–5.
- jj. With regard to NAFs, act as Army proponent for all aspects of NAF financial management, to include—
 - (1) Publishing annual NAF budget guidance.
 - (2) Reviewing IMCOM consolidated IMCOM Region budgets.
 - (3) Providing primary oversight for NAF accounting procedures in coordination with Defense Finance and Accounting Service (DFAS).
 - (4) Publishing and submit appropriate reports and trend analyses as required or necessary.
 - (5) Maintaining NAF database for management information.

- (6) Establishing liaison with DFAS on accounting policy and systems.
- kk.* With regard to APFs and in accordance with Army Planning, Programming, Budget Execution System guidance—
- (1) Orchestrate the development of Armywide MWR POM requirements.
 - (2) Coordinate with IMCOM to ensure baseline standards and Army priorities are addressed.
 - (3) Serve as functional POC for all MWR in MDEP, POM, and military construction processes.
 - (4) Present and defend POM requirements to Installation Program Evaluation Group (and others as appropriate).
 - (5) Work directly with IMCOM, ACSIM Resource Integration Office, and ARSTAF to ensure MWR issues are appropriately addressed and recorded in applicable databases.
 - (6) Assist the IMCOM with maintaining the Army MWR programs' priority list of unfinanced requirements.
 - (7) Recommend to the Army Budget Office (ASA (FM&C)) and IMCOM the allocation of resources by MDEP and IMCOM Region/garrison.
 - (8) Monitor the execution of MWR MDEP resources. Take appropriate action to ensure programming, budgeting, and execution objectives are met.
 - (9) Publish and submit appropriate reports and trend analyses as required or necessary.

2–6. Heads of Headquarters, Department of the Army agencies and commanders of Army commands, installations, and activities

The heads of the above agencies, commands, installations, and activities need to have knowledge of AR 340–21, and AR 25–55.

Chapter 3 Nonappropriated Fund Instrumentality Structure

NAFIs and their programs are classified into one of six program groups. Within each group, programs are further classified into one of three funding categories. The funding categories are the basis for APF and NAF authorizations in appendix D.

Section I

Nonappropriated Fund Instrumentality Groups

3–1. Program Group I: Military morale, recreation and welfare programs

All military MWR programs, to include Child Development Services and School Age Care, are included within this group. Policies pertaining to these programs are contained throughout this regulation and AR 608–10. Military MWR programs are classified into three funding categories outlined in section II of this chapter.

3–2. Program Group II: Armed Forces exchanges

Policies pertaining to this group of NAFIs are contained in AR 215–8. Exchanges are classified as a category C program.

3–3. Program Group III: Civilian morale, recreation and welfare programs

Policies pertaining to this group of NAFIs are contained in AR 215–7. Civilian MWR programs are classified as a category C program.

3–4. Program Group IV: Lodging Program supplemental mission funds

Army lodging is an APF mission. The Army Lodging Program Supplemental Mission Fund is a NAFI and receives APF and NAF support comparable to a category C program.

3–5. Program Group V: Supplemental mission funds

Policies pertaining to this group of NAFIs are contained in this regulation and various other regulations identified in chapter 5. These programs are APF mission programs. Supplemental mission funds are accounted for as NAFs and receive funding support comparable to category C programs. Nonappropriated fund instrumentalities in this group include, but are not limited to—

- a.* School Lunch Program.
- b.* Museums.
- c.* Vehicle Registration Fund.

- d. Cadet Activities Fund.
- e. Athletic Association Fund.
- f. U.S. Disciplinary Barracks.
- g. Stars and Stripes.
- h. Military Treatment Lodging Facilities.

3-6. Program Group VI: Special purpose central funds

These funds are sole providers of a consolidated NAF function, such as construction, accounting, procurement, personnel administration, employee health and life insurance, and risk management. These are HQ-level programs. Expenses of these funds are generally recovered through premiums or assessments charged or offset against earnings prior to distribution. These funds are authorized the same APF and NAF support authorized for category C programs. Centrally administered NAFIs are shown in table 3-1.

Table 3-1
Listing of centrally administered Department of the Army nonappropriated fund instrumentalities

NAFI: Army Morale Welfare and Recreation Fund

SNN: BA1

Scope: Ultimate successor-in-interest to all Army operating NAFIs. Major financing agent to Army NAFMC program.

NAFI: Army Medical/Life Fund

SNN: BAA

Scope: Repository of the assets of the U.S. Army NAF Group Insurance Plan. Collects group health, life, and dental insurance premiums from NAF employees and employers; contracts with various providers of coverage on behalf of NAF employees; pays premiums and service fees to direct providers of health, dental, and life insurance coverage on behalf of NAF employees; pays claims expenses and direct and indirect general administrative expenses of health and dental insurance incurred by the plans; and provides general administrative services to the plans.

NAFI: Army Banking and Investment Fund

SNN: BA9

Scope: Provides a centralized banking and investment vehicle for NAFIs.

NAFI: Army Central Insurance Fund

SNN: BAC

Scope: Supports the NAF Risk Management Program, a centralized property and casualty insurance program for U.S. Army NAFIs/entities.

NAFI: Hospitality Cash Management Fund

SNN: BAJ

Scope: Provides centralized cash management for Armed Forces Recreation Centers and finances capital purchase and minor construction requirement and other investment initiatives.

NAFI: Army Recreation Machine Fund

SNN: BA8

Scope: Provides amusement and gaming machine entertainment to authorized patrons, from which profits are used to fund the MWR program worldwide.

NAFI: Hale Koa Hotel Armed Forces Recreation Center, Honolulu, Hawaii

SNN: BKD

Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Edelweiss Lodge and Resort, Garmisch, Germany

SNN: ZED

Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Dragon Hill Center and Lodge, Seoul, Korea

SNN: KGD

Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

NAFI: Armed Forces Recreation Center—Orlando (Shades of Green), Orlando, Florida

SNN: IDD

Scope: Provides a first-class, full-service hotel and adjunct recreational facilities and programs at affordable prices for eligible patrons.

Table 3-1
Listing of centrally administered Department of the Army nonappropriated fund instrumentalities—Continued

trons.

NAFI: Cape Henry Inn and Beach Club, Fort Story, VA

SNN: IOD

Scope: Provides a first-class, full service hotel and adjunct recreational activities/facilities at affordable prices for eligible patrons.

NAFI: Army Lodging Fund

SNN: BAF

Scope: Successor fund to all IMCOM Region lodging funds and garrison lodging funds where there is no IMCOM Region lodging fund, which accounts for charges collected from occupants of official travel lodging facilities. The Army Lodging Fund cross-levels garrison lodging fund resources to centrally fund Armywide transient lodging requirements.

Section II

Funding Categories

3-7. Introduction

The degree to which APF support is authorized for MWR programs and other NAFIs is based on DOD categorization, a designation based on their relationship to readiness and ability to generate revenue. The general purpose and scope of each category are explained in the following paragraphs. A listing of MWR programs by category is at figure 3-1.

Category A: Mission Sustaining Programs

- Armed Forces Entertainment
- Better Opportunities for Single Soldiers (BOSS)
- Gymnasiums, field houses, pools for aquatic training, and other physical fitness facilities/training programs
- Library and Information Services
- Movies (free admission: overseas and isolated/remote locations)
- Natural areas, undeveloped
- Nature centers and nature and fitness trails
- Parks, picnic areas, barbecue pits, pavilions, game fields, playgrounds
- Community Recreation Centers
- Sports (individual, intramural, unit)
- Unit (or company) level activities (support/activities that maintain mission readiness, improve unit teamwork, and create esprit de corps)

Category B: Community Support Programs

- Arts and crafts
- Automotive Skill (includes self help car wash)
- Bowling centers (12 lanes or fewer)
- Cable/community TV
- Child, Youth, and School Services (CYSS)
- Entertainment (performing arts: music, drama, theater)
- Information, ticketing, and registration services
- Outdoor recreation programs; examples include
 - Archery ranges
 - Beach facilities, including bathhouses and lifeguard stations
 - Recreational vehicle/campgrounds, small
 - Garden plots
 - High adventure activity areas (such as adventure training, hand gliding, rappelling facilities)
 - Hunting/fishing areas and control stations
 - Marinas without retail sales or private boat berthing
 - Off road vehicle areas and trails
 - Outdoor recreation checkout centers (includes tents, coolers, sleeping bags, stoves, water and snow skis, canoes, jon boats, bicycles, and other program related equipment, such as chain saws, lawn mowers, boats and trailers designed for overnight use, and resale activities which are considered category C programs, and must be funded with NAFs)
 - Stables (Government owned or leased horses for recreational riding)
- Sports above intramural level (including athletic courts, fields, courses)
- Swimming pools (recreational/stand alone)
- World Class Athlete Program

Category C: Revenue Generating Programs

- Amusement machines

Figure 3-1. MWR programs

-
- Aquatics centers (commercial grade water theme parks)
 - Armed Forces Recreation Centers/Joint Services facilities (accommodations, dining, and resale functions)
 - Army Recreation Machine Program (includes gaming and amusement machines and Internet based entertainment, wireless cafes, and related services and support)
 - Audio/photo retail sales (overseas only)
 - Bingo
 - Bowling centers (over 12 lanes)
 - Commercial travel
 - Food, beverage, and entertainment operations (includes Theme, catering, snack bars, and meeting/conference type operations)
 - Golf courses and associated operations
 - Military clubs (officers', noncommissioned officers', enlisted, community) (includes catering)
 - Cabins, cottages, cabanas, and fixed mobile home/trailer operation
 - Flying activities
 - Marinas/boathouses (resale, private boat berthing, chartered boats)
 - Motorcycle/moped/other motor sports activities
 - Rod and gun activities/skeet and trap
 - Ski slope operations
 - Sport parachuting activities
 - Stables (boarding for privately owned mounts)
 - Recreational MWR lodging (includes cabins, cottages, hotels, motels)
 - Recreational vehicle/campgrounds, large
 - Resale operations integral to MWR operations
 - Skating rinks, regardless of type
 - Snack bars and soda fountains not operated by AAFES
 - Other revenue generating programs, subject to resale policy (chap 12)

Figure 3–1. MWR programs—Continued

3–8. Category A: Mission-sustaining programs

Considered essential to sustaining readiness, these programs generally enhance and promote the physical and mental well-being of Soldiers. Programs in this category have little or no capacity for generating NAF income and are supported almost entirely with APFs.

3–9. Category B: Community support programs

These programs are closely related, in terms of supporting the military mission, to those grouped in category A. They satisfy the basic physiological and psychological needs of Soldiers and their Families and provide, to the extent possible, the community support systems that make military garrisons temporary hometowns for a mobile military population. These support programs will receive substantial amounts of APF support, but differ from those programs in category A, in part because of their ability to generate NAF revenues. That ability to generate revenues is limited, however, and in no case may they be sustained without substantial APF support.

3–10. Category C: Revenue-generating programs

These programs have less impact on readiness. They offer desirable social and recreational opportunities. Programs in this category have the capability of generating enough income to cover most of their operating expenses, but they lack the ability to sustain themselves based purely on their business activity; consequently, they receive limited APF support. Chapter 5 addresses funding for category C MWR programs located at remote and isolated sites, funding for base closures, and funding as a result of special security conditions.

Section III

Establishment, Consolidation, Revalidation, and Disestablishment

3–11. Establishment

a. Prior to requesting establishment of new NAFIs or for the operation of garrison MWR operating entities (garrison MWR programs) (also referred to as entities of NAFIs), consideration will be given to the accessibility and capabilities of existing exchange service, on-base commercial or civilian community MWR alternatives, as well as current and planned MWR programs of adjacent military service installations.

b. Nonappropriated fund instrumentalities and entities of NAFIs will be operated only when local community programs do not meet local garrison requirements or when they are not cost effective. Nonappropriated fund instrumentalities and entities of NAFIs must be financially viable and comply with cash management policies. MWR programs must meet funding standards outlined in chapter 16.

c. Morale, Welfare, and Recreation programs are available to all authorized patrons of the military departments and to units, individuals, and DOD agencies located on the installation. Tenants receive MWR services from the host installation or community and will not duplicate those services. Exceptions by tenant activities may be granted under agreements between the host and tenant commands. DODI 4000.19 applies to inter-Service and intradepartmental support.

d. Requests for establishment of NAFIs and for the operation of garrison MWR operating entities may be submitted with the information below through command channels to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-PO), 4700 King Street, Alexandria, VA. 22302–4419:

(1) The name of the NAFI or garrison MWR operating entity and the individual directly responsible for the NAFI/entity; mailing address and telephone number; type of council (governing or nongoverning); and the successor fund, discussed in chapter 16.

(2) A broad statement of the NAFI's/entity's purpose, a list of supported programs, and certification that there is no conflict with Federal laws, Status of Forces Agreements (SOFA), treaties, or applicable regulations.

(3) A statement explaining why the proposed NAFI/entity cannot be included within an existing NAFI/entity.

(4) A description of programs to be provided, an explanation of items to be sold, and a statement that servicing AAFES outlets cannot provide the needed support.

(5) Operating, capital expenditure, and cash budgets and balance sheet projections for the first year.

e. The FMWRC will review each request for suitability; validate the requirement (according to applicable criteria); and approve establishment of the NAFI/entity by assigning a standard NAFI identification number (SNN) in accordance with appendix F. The SNN is used for all subsequent correspondence and reporting. After receipt of approval—

(1) The responsible official formally establishes the new NAFI/entity with a written, local announcement explaining the purpose, governing regulations, name of the NAFI/entity, effective date of establishment, the SNN, name of the successor fund, and programs to be supported. Copies of all related correspondence are included in the command's file.

(2) An employer's identification number for the new NAFI/entity is obtained from the Internal Revenue Service (IRS).

f. The IMCOM Region will request SNNs for newly established garrison MWR operating entities and is responsible for overseeing garrison MWR programs.

g. DOD organization and Army Staff level NAFIs not under the oversight of an IMCOM Region will submit documentation described above through command channels to FMWRC at the above address.

h. Under extreme limited circumstances, FMWRC may operate and manage garrison MWR programs and facilities and establish those programs/facilities as separate NAFIs. Family and Morale, Welfare and Recreation will assume operation of garrison programs only when the Army as a whole benefits.

i. A list of centrally administered DA NAFIs is at table 3–1.

3–12. Consolidation

a. Effective 1 October 2002, all installation MWR funds were consolidated under IMCOM Regions. Morale, Welfare and Recreation programs at the garrison level are entities of the IMCOM Regions. The garrison MWR operating entity is provided an SNN to account for receipts, disbursements, and any other accounting functions.

b. Responsible officials may consolidate NAFIs/entities at any time by forwarding the following information through the appropriate chain of command to FMWRC at the address in paragraph 3–11:

- (1) The name and SNN of the NAFI/entity to be disestablished.
- (2) The name and SNN of the surviving or succeeding NAFI/entity with the effective date of consolidation.

3–13. Revalidation

a. A needs and continuation assessment will be performed every 3 years in conjunction with developing the garrison MWR 5-year plan (see chap 15). Only those NAFIs/entities that continue to support the purpose for which established, and those NAFIs/entities that cannot be supported by other means for which a documented and continuing need still exists, will be revalidated.

b. Nonappropriated fund instrumentalities/entities may be validated simultaneously or one-third assessed annually to comply with the revalidation at least once every 3 years.

c. The fund manager/entity administrator will submit to FMWRC at the address in paragraph 3–11 (through command channels) documentation validating the continued requirement for NAFIs/entities. Documentation is retained at the garrison level until the next 3-year review. Documentation will validate that—

- (1) Nonappropriated fund instrumentalities/entities are conducting intended programs, activities, and operations.
- (2) Continuation is supported by use, or programs are supported by other means, and
- (3) If there is unnecessary duplication, some or all of the programs will be consolidated.

3–14. Disestablishment

a. Nonappropriated fund instrumentalities/entities of NAFIs will be disestablished for any of the following reasons:

- (1) Inactivation, realignment, or closure of a command.
- (2) Determination that the NAFI/entity will be consolidated with another NAFI or another the garrison MWR operating entity, or the purpose for which it was established has been completed and it is no longer justified.
- (3) By direction of appropriate authority (depending on the NAFI or entity function).

b. When appropriate authority determines that a NAFI/entity will be disestablished, the following actions are necessary:

- (1) Restrict or control expenditures to preclude unnecessary spending.
- (2) Notify vendors and collect outstanding accounts receivable and pay or make final settlement on accounts payable, in conjunction with the supporting contracting office.
- (3) In coordination with the supporting contracting office, cancel or reduce future commitments through contract renegotiation or cancellation.
- (4) Prepare and execute an employee separation or transfer plan in coordination with servicing NAF Human Resources Office. Ensure that employees are kept informed.
- (5) Arrange for a terminal audit, disposition, or transfer of NAF property according to chapter 17, and turn in any APF property for which the NAFI fund manager/entity administrator is responsible.
- (6) Identify and notify the successor fund of disestablishment and request any necessary instructions related to the above actions. Cash assets will transfer to the successor fund.
- (7) Notify FMWRC of disestablishment and the SNN on the duty day following the effective date, through the appropriate chain of command.

3–15. Transfers of nonappropriated fund instrumentalities/entities

a. Transfers between Army commands or other DOD components. Normally, all associated NAF assets will be transferred intact from the losing command to the gaining command, unless otherwise mutually agreed.

b. Command inactivation. Assets at locations scheduled for inactivation or closure will be transferred to the successor NAFI or disposed of as provided in chapter 17.

c. Disputes. When disposition of NAF assets cannot be mutually agreed upon between the gaining and losing organizations, the commands involved will refer the matter through appropriate channels to FMWRC for—

- (1) Determination in cases involving transfers between Army commands.
- (2) Representation by the Army in negotiations with organizations of other DOD components.

Section IV

Nonappropriated Fund Instrumentality Fund Managers/Entity Administrators

3–16. Duties

Nonappropriated fund instrumentality fund manager/entity administrators may be responsible only for financial management or for both financial management and overall program management. They are either assigned or appointed by the official with oversight responsibility. Garrison MWR operating entity administrators are assigned or appointed by the garrison commander (or designee). Because duties include command supervision, positions may be funded from APF. All fund managers/entity administrators have legal and fiduciary responsibilities, which are described throughout this regulation and DFAS-IN 37-1 Regulation, Chapter 32, and must monitor NAFI/entity programs and ensure compliance with internal management controls.

3–17. Absence and permanent change of fund managers/entity administrators

a. Accountability. When a fund manager/entity administrator is absent more than 30 days but not more than 60 days, an assistant or acting manager/administrator will assume responsibility for cash, other negotiable assets, and all nonexpendable property.

(1) *Assistant fund manager/entity administrator.* When designated in writing by the fund manager/entity administrator, an assistant manager/administrator may be assigned to perform designated tasks continually. An assistant manager/assistant administrator may be designated as acting in the temporary absence of the manager/administrator for not more than 60 days.

(2) *Acting fund manager/entity administrator.* An acting manager/acting administrator may be designated in writing by the fund manager/entity administrator or next higher authority.

(a) If an assistant fund manager/assistant entity administrator has not been appointed, or if the manager/administrator so requests, an acting manager/acting administrator is appointed in writing in the absence of the fund manager/entity administrator for more than 5 days, but not more than 60 days.

(b) An acting manager/acting administrator is appointed between the departure of the outgoing manager/administrator and the arrival of the incoming manager/administrator, but for not more than 60 days.

b. Change of fund manager/entity administrator.

(1) Prior to any planned change of managers/administrators, fund accounts and property will be transferred from the outgoing to the incoming manager/administrator per the following:

(a) The central accounting officer (CAO) will prepare and furnish to the outgoing manager/administrator as of the transfer date all current financial statements (to include balance sheet and operating statements), the latest bank reconciliation statement, and a current record of property and merchandise. The outgoing manager/administrator will verify the financial records, data, and other information furnished by the CAO; conduct a complete inventory of assets; investigate any discrepancies; adjust records, as necessary; and complete an inventory statement.

(b) The incoming manager/administrator will assist the outgoing manager/administrator in reconciling records, sign for all verified assets and liabilities, and assume accountability and responsibility for the fund/entity from the outgoing manager/administrator. This is done within 30 days following the appointment of the new manager/administrator and may be made conditional pending verification by a formal audit.

(2) If death or incapacity causes replacement of an incumbent manager/administrator, the NAFI/entity oversight official or garrison commander will follow the process in AR 735–5. A board of officers will be appointed to inventory all assets and liabilities of the fund/entity and recommend appropriate action. A new manager/administrator will then be appointed and sign for assets and liabilities from the board of officers.

Section V

Councils

3–18. Purpose and functions

Nonappropriated fund instrumentalities administered at DA and IMCOM Region levels are not required to have councils. Councils are required for separate Garrison NAFIs and garrison MWR operating entities. Nonappropriated fund instrumentality/entity oversight officials or garrison commanders (or designees) appoint council members in writing and establish the council as either governing or nongoverning, based on the following:

a. Nongoverning councils.

(1) All MWR NAFI and garrison MWR operating entity councils are nongoverning and function only in an advisory capacity, representing interests and concerns of authorized patrons and NAFI/entity management.

(2) Subcommittees or ad hoc groups may be formed to represent consumer groups for specific MWR programs.

b. Governing councils. Governing councils will govern, direct, and exercise general supervision through the fund manager and ensure proper financial management based on management reviews. They will also direct the overall operation of the NAFI.

3–19. Council membership

Council members generally will represent the interests and viewpoints of the military community.

a. Membership. Governing council membership is limited to active duty military personnel to include reservists on extended active duty, and full-time DOD civilian employees. Nongoverning councils may also include military retirees and Family members.

b. Chair. A governing council will be chaired by the senior ranking active duty military or full-time civilian employee (APF or NAF). A nongoverning council will be chaired by the senior active duty or full-time civilian employee or as determined by the membership, when delegated by the senior ranking member.

c. Council composition. Councils will include at least four voting members plus the NAFI fund manager/entity administrator, who is a nonvoting member. Suggested membership of garrison MWR operating entity councils includes—

- (1) The garrison commander as chair.
- (2) Director, FMWR (or equivalent).
- (3) Director of Resource Management (DRM).
- (4) Director of Engineering and Housing (DEH).
- (5) Director of Contracting.
- (6) Director of Reserve Component.
- (7) The local exchange manager.
- (8) Selected senior commanders.
- (9) The Command Sergeant Major.
- (10) A Family member representative.

3–20. Meetings

a. At a minimum, a council meeting will be held annually. The frequency of meetings will be determined by the chairperson (quarterly meetings are recommended). A majority of the voting membership constitutes a quorum for the conduct of official business. Minutes will be provided to the responsible commander or designee for approval or other action.

b. As determined locally, any Army official or patron representative with an interest in the fund/entity may attend council meetings as an observer or adviser. Such persons may include NAF contracting, audit, inspection, financial management personnel, and others who represent authorized patron groups. When discussing actions impacting or concerning other quality of life/well-being programs, responsible individuals may be invited and may contribute.

Chapter 4 Nonappropriated Fund Instrumentality Legal Status

Section I

Authority

4–1. Nonappropriated fund instrumentalities

a. Every NAFI is legally constituted as an “instrumentality of the United States.” The term “NAFI” includes entities at the garrison level, hereafter referred to as garrison MWR operating entities or simply entities (previously the installation MWR fund). Funds in NAFI/entity accounts are Government funds, and NAF property, including buildings, is Government property. However, NAFs are separate from APFs of the U.S. Treasury. They are not commingled with APFs and are managed separately, even when supporting a common program.

(1) Each NAFI/entity will operate under the authority of the U.S. Government in accordance with applicable Federal laws and departmental regulations.

(2) Because NAFIs/entities operate under the authority of the Federal Government, they are entitled to the same sovereign privileges and immunities as the Federal Government accorded by Federal law.

(3) Applicable DOD directives and implementing Army regulations are binding on NAFIs.

b. Nonappropriated fund instrumentality/entity programs and facilities will be operated, maintained, and funded as an integral part of the personnel and readiness program.

4-2. Administration

Nonappropriated fund instrumentalities/entities will—

- a.* Be administered by military or civilian personnel acting in an official capacity.
- b.* Account for and report financial operations through command and department channels.
- c.* Be subject to review by Congress.
- d.* Expend resources to support MWR programs, primarily the programs from which NAF revenues were derived.
- e.* Employ, discharge, and otherwise administer NAF personnel in accordance with AR 215-3 and this regulation.
- f.* Engage in contractual relationships in accordance with DODI 4105.67, DODI 4105.67, and AR 215-4.
- g.* Derive revenue from fees and charges paid by authorized patrons of MWR programs, other NAFIs/entities, and nongovernmental sources.
- h.* Be considered integral and essential to the conduct of the military mission.

4-3. Nonappropriated fund employees

Nonappropriated fund employees are Federal employees within the Department of Defense, but are not subject to many personnel laws administered by the Office of Personnel Management (OPM) for APF employees. Unless otherwise specifically stated, 5 USC 2105(c) explains this status and identifies the OPM-administered laws that cover NAF employees. Funding NAF employees through the MWR USA/UFM funding practices will not change the Federal employment status of NAF employees.

Section II

Fiduciary Responsibility (10 USC 2783)

4-4. Nonappropriated funds

Nonappropriated funds are Government funds entitled to the same level of protection as funds appropriated by the Congress of the United States. NAFs will be used for the collective benefit of authorized patrons who generate them. These funds are separate and apart from funds recorded in the books of the Treasurer of the United States.

4-5. Individual responsibility

There is an individual fiduciary responsibility to use NAFs properly and prevent waste, loss, mismanagement, or unauthorized use. This responsibility will extend to all DOD personnel, to include members of the Armed Forces and APF and NAF civilian employees.

4-6. Violations

Reporting of suspected violations at the lowest organizational level possible is encouraged. However, reports may be made to senior management, organizational inspectors general, or to the Defense Hotline. Garrison commanders will be responsible for prompt detection, proper investigation, and appropriate corrective action. NAF employees and applicants for employment in NAF positions will be protected from reprisal for making certain disclosures, as described in 10 USC Section 1587.

a. Garrison commanders will take appropriate administrative action against present and former personnel responsible for violations. Where evidence indicates criminal conduct, garrison commanders will refer the matter to the appropriate criminal investigative organization.

b. Penalties for violations of waste, loss, mismanagement, or unauthorized use of NAFs apply to military and APF and NAF civilian personnel and include the full range of statutory and regulatory sanctions, both criminal and administrative.

(1) Under 10 USC 2783, penalties for substantial violations of statutes and regulations governing the management and use of NAFs by civilian NAF employees will be similar to those provided by law for misuse of appropriations by APF personnel. Investigative procedures for loss of NAF assets and property are outlined in this regulation.

(2) Penalties for substantial violations of statutes and regulations governing the management and use of APFs by military personnel and APF civilian employees of the U.S. Government are addressed in 31 USC 1350.

(3) Military personnel will be subject to the Uniform Code of Military Justice.

Section III

Tax Requirements

4-7. Federal taxes

a. Taxes on articles or services must be paid by the entity upon which the taxes are levied, whether or not the articles or service may be furnished for the use of, or the sale in, NAF programs. However, in general, there will be provision for exemption from these taxes when the articles or services are sold to a NAFI/entity for resale outside the United States and its territories on alcoholic liquors tax, beer tax, and tobacco tax.

b. Nonappropriated fund instrumentalities/entities are exempt from payment of Federal income taxes and are not required to file returns.

4-8. Federal income and employment taxes

Nonappropriated fund instrumentalities/entities will withhold Federal Insurance Contribution Act (FICA) and other taxes in accordance with controlling law.

4-9. Alcoholic beverage taxes (Internal Revenue Code of 1986)

Federal wholesale or retail dealer taxes will be paid annually, by 1 July: \$500 is levied for wholesale operation and \$250 for retail. A NAFI/entity will be liable for only one tax, regardless of how many sales outlets operated. Only the wholesale tax will be paid when conducting both wholesale and retail operations. Details and forms needed to pay taxes are available from Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, Revenue Division, Room 5000, 650 Massachusetts Avenue, NW, Washington, DC 20226.

4-10. Nonappropriated fund instrumentality/entity employment relationship (for tax purposes)

a. Many individuals are considered to be employed by a NAFI/entity for the purposes of Federal income and employment taxes, although they are not considered NAF employees for other purposes (AR 215-3). Both Federal and employment taxes will be withheld when the NAFI/entity has the legal right to control the method and result of the services performed.

(1) Generally, individuals who offer their services to the public are independent contractors and not employees (such as physicians, lawyers, dentists, construction contractors, public stenographers, and auctioneers, engaged in the pursuit of an independent trade, business, or profession). Sporting officials and instructors under contract with a NAFI/entity may be employees of the NAFI/entity for Federal income and employment tax purposes (FICA and all other taxes paid by the NAFI/entity are added to the contract cost). Under these circumstances, individuals will be notified that, for Federal income and employment tax purposes, they will be treated as NAF employees regardless of the provisions of AR 215-4.

(2) DOD 7000.14-R, Volume 13, Chapter 8 (see also IRS Pub 15-A), lists common law rules that are used by local offices of the staff judge advocate (SJA) to characterize employment relationship to identify appropriate taxes to be withheld and paid.

(3) An individual who disputes the employment relationship may appeal directly to the IRS. Pending the final IRS decision, the individual will be treated as an employee or independent contractor, as determined by an SJA using the common law factors.

b. Reporting independent contractor payments to the IRS will be in accordance with DFAS-IN 37-1 Regulation, Chapter 32.

4-11. Taxes on employee tips

a. Withheld compensation includes allowances for tips received by employees of food and beverage programs, as specified in appendix C. Addresses for requesting IRS publications and forms are found in DOD 7000.14-R, Volume 13 and DFAS-IN 37-1 Regulation, Chapter 32.

(1) Nonappropriated fund employees receiving tips in the amount of \$20 or more in any month must report tip income to the employing NAFI/entity using IRS Publication 1244 and IRS Form 4070 (Employee's Report of Tips to Employer) or a locally prescribed equivalent. Reports will be filed by the 10th of the month following the month in which tips were earned.

(2) Each NAFI/entity employing more than 10 food service employees will file IRS Form 8027 (Employer's Annual Information Return of Tip Income and Allocated Tips). See appendix C and the Tip Allocation and Tip Reporting Manager's Guide found at www.armymwr.com.

b. Federal income and employment tax records will be retained by the NAFI/entity for 4 years.

4-12. Reporting prizes

Nonappropriated fund instrumentalities/entities involved in awarding cash or merchandise prizes to individuals participating in contests or other such competitions will report awards in accordance with DFAS-IN 37-1 Regulation, Chapter 32.

4-13. Annual reports to the Internal Revenue Service

Returns made on IRS Forms 1099-MISC (Miscellaneous Income) and 1096 (Annual Summary and Transmittal of U.S. Information Return) for a calendar year will be filed with the appropriate IRS district by each NAFI/entity on or before 28 February of the following year. A copy of IRS Form 1099-MISC will be sent to the person receiving payment from the NAFI/entity not later than 31 January of the year following payment from the NAFI/entity. Addresses for requesting IRS publications and forms are found in DFAS-IN 37-1 Regulation, Chapter 32. The contracting officer must provide proper information about the taxpayer to their servicing accounting office through the submission of an IRS Form W-9 (Request for Taxpayer Identification Number and Certification) and provide the form with contractual documents.

4-14. State and local sales and use taxes

a. Nonappropriated fund instrumentality/entity operations are not subject to direct taxation by State or local tax authorities, except when specifically authorized by Federal statute. Nonappropriated fund instrumentalities/entities will cooperate with State and local officials to the degree that such cooperation is not construed as a submission to State and local regulations and control and such cooperation does not adversely affect MWR programs.

b. Nonappropriated fund instrumentality/entity retail sales are not subject to State sales and use taxes, except for the sale of tobacco products and soft drinks through vending machines.

(1) Sale of tobacco products exempt from State tax is limited to packs or equivalents for on-premises consumption. (Only the AAFES and commissary sales stores sell in bulk.) Other sales of tobacco products in the United States, including all vending machines sales, require payment of State sales tax.

(2) Over-the-counter sales of soft drinks for immediate consumption at MWR snack food operations are exempt from State tax. (Only the AAFES outlets sell in bulk.) State sales taxes are paid for vending machine sales in the United States.

c. The sale of State tax-free alcoholic beverages will be in accordance with chapter 10.

d. State taxes on gasoline or other motor fuels measured by sales, purchases, storage, or use will be collected and paid under the provisions of 4 USC 104.

e. Most tax questions are fact specific, are complex, and require close examination of State or Federal statutes and case law by the local SJA.

f. Leaseholds on military installations held by PPVs may be subject to State or local taxation.

4-15. State and local income taxes

State and local income taxes will be withheld from NAF civilian employee compensation when an agreement to such withholding has been mutually agreed to between the Federal Government and the affected State or local government. The servicing NAFI/entity CAO will withhold taxes where such agreements exist. State and local taxes will be withheld from the pay of enlisted personnel compensated from NAFs for work performed during off-duty hours.

4-16. U.S. Government tax exemption certificates

Generally, NAFIs/entities use Standard Form (SF) 1094 (United States Tax Exemption Form) to establish and document tax-exempt status. SF 1094 is used only for transactions where the State and local tax is \$10 or more.

4-17. Foreign taxes

It is OSD policy (DODD 5100.64) to secure, to the maximum extent practical, effective relief from all foreign taxes where the economic burden would, in the absence of such relief, be borne by the NAFI/entity. Therefore, NAFIs/entities located in foreign countries will not pay to, nor collect for, any foreign country or political subdivision any tax unless the United States has consented to levy collection by treaty, convention, or executive agreement.

4-18. Concessionaire and contractor-operated programs

Concessionaire and contractor-operated programs are private businesses and not instrumentalities of the United States. Nonappropriated fund instrumentality/entity privileges and immunities herein do not apply to such concessionaires or contractors. Concessionaire-operated activities on a garrison are subject to State and local sales use taxes.

4–19. Private organizations

Private organizations (POs) are not instrumentalities of the Federal Government. There are no contractual and/or other arrangements between NAFIs/entities and POs to avoid the imposition of host country, State, or local taxes on PO transactions, or to authorize NAFI/entity support beyond that authorized by statute, DODI 1000.15, DOD 5500.07–R, or AR 210–22.

4–20. Communications with taxing authorities

a. Except as provided for in this chapter, all matters involving attempts to impose taxes upon or to require collection of taxes from NAFIs/entities by the Federal Government, a State, the District of Columbia, a possession of the United States, Puerto Rico, or a foreign nation, or any political subdivision thereof, will be reported in detail prior to any payment or collection, through the local staff judge advocate (SJA)/command judge advocate to Department of the Army, Office of The Judge Advocate General (DAJA–KLT), 1777 North Kent Street, Rosslyn, VA 22209–2194.

b. Nonappropriated fund instrumentalities/entities will not conduct negotiations with taxing authorities without the express authorization of the Judge Advocate General (TJAG) through the installation SJA.

Chapter 5 Funding

Morale, Welfare and Recreation programs are resourced from either APFs or NAFs or a combination of both. NAF expenditures for valid MWR purposes are not an augmentation of appropriations.

Section I

Appropriated Funding

5–1. Appropriated funds

The basic financial standard for all categories of MWR programs is to use APFs to fund 100 percent of costs for which authorized. Chapter 16 outlines DOD minimum standards and addresses additional Army supplemental standards issued annually in budget instructions disseminated by FMWRC (IMWR-FM). Additionally, specific authorizations for APF support to MWR are contained in appendixes D and E and elsewhere in this chapter. The following also pertains to APF support provided to MWR programs:

a. Direct appropriated fund support. Direct APF support represents the funding MDEP that is under the budgetary purview of the Director, FMWR. These MDEPs include QDPC, QCCS, and QYPD. Such support is generally limited to categories A and B MWR programs. Appropriated fund support for the various elements of resource is detailed in appendix D. All APF support to MWR programs is reportable (see chapter 16).

b. Indirect appropriated fund support. Indirect APF support is normally received through use of basic garrison-wide services, such as those provided by the Director of Public Works (DPW) for utilities and grounds and facility sustainment, restoration, and modernization (SRM). The nonreimbursed portions are reportable as support to MWR programs through DFAS accounting systems (see chap 16).

c. Common Morale, Welfare and Recreation support. Common MWR support is part of the management overhead, whereby APF support is authorized to fund the management, administration, and operation of more than one MWR program or activity, and where such support is not easily or readily identifiable to a specific MWR program or to solely category C MWR programs. Such support includes functions of executive control and essential command supervision (ECECS), central accounting, civilian personnel office, common warehousing, central procurement, central marketing, and other such consolidated functions. Appropriated fund is identified and reportable to FMWRC (see chap 16). Family and Morale, Welfare and Recreation Command will prorate the management support among the three MWR program categories.

d. Other services. Other services include incremental or incidental APF support to MWR programs. Other services include those services associated with protecting health and safety and are commonly supplied and provided as a command function to all installation employees and organizations and are not reportable as APF support to MWR programs (see appendix D for examples of other services).

e. Identifiable support. Appropriated fund support is identifiable through various APF intra-agency or interagency personnel or manning authorization documents, common metering devices, or through engineering, accounting, financial, or statistical procedures, methods, and standards.

f. Support agreements. Nonappropriated fund instrumentalities/entities and installation/garrison support elements will enter into agreements on the type of support required and resources to be expended. Appendix D and this chapter are

used to determine whether services are to be APF or NAF funded. When a service is not authorized APFs, but the support element provides the service, the NAFI/entity will reimburse the Government for such service based upon the support agreement or independently contracts and pays for the service.

5–2. Utilization, support, and accountability

a. The MWR USA funding practice is applicable to MWR entities not participating in UFM (para 5–3). The MWR USA funding practice is designed to give more flexibility to garrison commanders to effectively maintain and improve quality of life for Soldiers. Garrison commanders and APF and NAF resource managers may execute an MOA to use NAFs to provide APF-authorized services in support of MWR programs, with subsequent payment to the NAFI/entity for these services from APFs. (Sample format is found in the MWR USA budget guidance issued annually by FMWRC and found at website www.armymwr.com.) The MWR USA funding practice can be used to finance personnel services, supplies, furniture, fixtures and equipment, routine maintenance, and other operating expenses for those program groups identified in paragraph 5–2*b*. Appropriated funds for this purpose will be limited to the operating accounts. MWR USA may not be used for construction (MCA).

b. The MWR USA funding practice may be used only for MWR programs (Program Group I), as listed in the annual MWR USA budget guidance published by FMWRC, the exchange service (Program Group II), Stars and Stripes (Program Group V), and U.S. Military Academy mixed-funded athletic or recreational extracurricular programs (Program Group V). Specifically excluded are programs of civilian welfare funds, non-MWR Family programs (Army Community Services, Army Family Team Building, Army Family Action Plan, Family Advocacy Program), Fisher Houses, Vehicle Registration, Army lodging, veterinary services, recycling, sale of abandoned personal property, all other supplemental mission programs, and all other non-MWR garrison functions.

c. Responsible commanders will ensure that—

(1) Morale, Welfare and Recreation USA funds are spent only for items/services authorized to be provided from APFs, in accordance with appendix D of this regulation and AR 570–4.

(2) An MOA is executed and approved by the responsible commander prior to the obligation and/or payment of APFs to a NAFI/entity.

(3) Both APF and NAF budgets are revised and approved in accordance with applicable provisions, prior to the obligation and/or payment of APFs to a NAFI/entity.

(4) Appropriated funds are promptly obligated in accordance with the terms of the MOA once funding authorization documents (FADs) are received.

(5) Nonappropriated fund accounting and budgeting procedures as outlined in the annual NAF budget instructions are followed.

(6) Memorandum of agreements and applicable budgets are revised as necessary if program requirements and/or circumstances change during the fiscal year.

(7) The provisions of 31 USC 1341 and 10 USC 2783 regarding fiduciary responsibility for both APFs and NAFs are fully followed.

d. Nonappropriated fund financial management and accounting offices will—

(1) Ensure that the NAF accounting policies and procedures prescribed in the annual NAF budget instructions are implemented.

(2) Refer to the appropriate IMCOM Region and/or FMWRC any questionable expenditure of MWR USA funds for resolution.

e. A MOA will be executed outlining in narrative the MWR programs to be supported, the services to be provided to the MWR program by the NAFI/entity on behalf of the government, the amount of payment for such services (not to exceed the cost of providing the services), and the obligation and payment schedule (monthly/year-to-date) for the MWR USA funds. This MOA will be signed by the DRM and the Director, FMWR (or equivalent), approved by the responsible commander, and forwarded to the responsible IMCOM Region for review. The MOAs for IMCOM Region headquarters and DA elements will be forwarded to the next staff level for review. The NAFI/entity will bill for expenses prior to the execution of the MOA.

f. All funds provided under the MWR USA funding practice, which will not be obligated by the NAFI/entity before the obligation authority of the source appropriation expires, will be promptly identified to the APF resource manager. This action will allow those funds to be obligated for other requirements.

g. MWR NAFI/entity positions not participating in the UFM and encumbered by APF employees will not be converted to NAF positions. Vacant APF positions may be converted to NAF positions and the MOA may be modified to include those services to be provided by the NAFI/entity. However, if an unencumbered APF position is converted to NAF or contract, it will not be converted back to an APF position. This does not preclude hiring a temporary NAF employee paid for by USA Income during the time required to fill the APF position. The temporary NAF employee holding the

APF position will be terminated upon appointment of an APF employee to the existing position. When a vacant APF position is converted to NAF or a temporary NAF employee is hired pending fill of the APF position, the associated personnel dollars will be transferred to operations dollars to pay the NAFI/entity for the services provided.

h. APFs, and therefore MWR USA funds, will not be authorized to support any resale/revenue generating program or activity, even within category A or B programs. This does not include those programs or activities that charge only nominal user fees to recoup NAF expenses.

i. All APF support to be provided under the USA funding practice in accordance with the terms of the MOA will be executed in elements of resource 25FC (MWR Utilization, Support, and Accountability (USA)-Non-Pay, and 25FD (MWR USA-Pay). All APFs for base operations support, to include that provided through the MWR USA funding practice, will continue to be included in APF budgets, garrison accounting records and financial reports, and in exhibits and reports submitted to the Congress according to DOD 7000.14-R, Volume 13; DFAS-IN 37-1 Regulation, Chapter 32; and DODI 1015.15, enclosure 6.

j. APFs will be obligated on DD Form 2406 (Miscellaneous Obligation Document). These obligations will be based on the MOA, which is the supporting document for the DD Form 2406.

k. Each NAF position included under the USA funding practice must be a position authorized to be supported with APFs in accordance with chapter 14 and appendix D of this regulation. Each such position will be annotated on the NAF Personnel Requirements Document (PRD) as APF-authorized/eligible to be supported by USA income. NAF personnel costs eligible to be supported by USA income will include salaries, benefits, and incentives authorized in accordance with AR 215-3. NAF positions eligible to be supported under the USA funding practice are not limited to vacant APF positions, which are converted to NAF. Historically, there have been numerous NAF positions authorized to be supported with APFs but for which no space authorizations were available. These positions will be annotated on the NAF PRD as APF authorized/eligible to be supported by USA Income and included under the USA funding practice, subject to funding constraints.

l. The APF tables of distribution and allowances (TDA) will be annotated as follows for positions that are either converted to NAF or privatized:

(1) Authorization converted to NAF under USA funding practice:

- (a) Child care, CW.
- (b) Youth Services, AW.
- (c) Other MWR, UW.

(2) Authorization privatized:

- (a) Child care, CZ.
- (b) Youth Services, AZ.
- (c) Other MWR, BZ.

m. The DOD/OPM Interchange Agreement regarding portability will permit both APF and NAF employees to apply for all vacancies. When employees move between the APF and NAF employment systems, the provisions of portability may apply, depending on the break in service between the two systems. Management will request use of this authority each time they recruit for a position.

n. If an APF position is vacated, it may either be filled as an APF position or converted to a NAF position under the MWR USA funding practice. The APF resignee or retiree may apply for the NAF position, as well as all other interested, qualified, and eligible applicants. An employee who accepts Voluntary Early Retirement Authority of Voluntary Separation Incentive Pay and then accepts a NAF position within 5 years after the date of separation will be required to repay the entire amount of separation incentive. Additionally, an employee who receives separation pay will not be eligible for NAF employment for a 12-month period beginning on the effective date of the employee's separation. Waivers of these reemployment restrictions can be granted.

o. FMWRC will issue annual financial management procedures detailing accountability for APFs executed through the MWR USA funding practice.

5-3. Uniform funding and management

a. UFM is the merging of APFs with NAFs for the purpose of providing MWR support services using NAF rules and procedures, thereby reducing duplication of effort and providing better visibility on MWR program costs. UFM allows for the immediate obligation, accrual, expense, and disbursement of APF prior to goods or services being acquired by the NAFI/entity supporting the eligible programs. UFM also allows for the transfer of APF and NAF to be based on an established MOA between NAFIs/garrison MWR operating entities and Army resource managers.

b. The practice of UFM will result in no increase or decrease to the funding of MWR. UFM will focus on the direct APF support the Government provides for MWR (primarily MDEP QDPC, QCCS, and QYDP). Other support, termed indirect, will continue to be provided with no change to the accounting and reporting procedures.

c. Authority for UFM is 10 USC 2491. It is limited to MWR programs as defined in chapter 3, this regulation, and the exchange service and Stars and Stripes. PL 108–375 expanded applicability of UFM to the military services’ academies’ athletic and recreational extracurricular programs. Other well-being programs, such as Army Community Service (ACS) may not currently benefit from UFM.

d. UFM will involve preparation of a MOA between the APF resource manager and the MWR manager outlining the APF-authorized MWR to be performed by the NAFI/entity garrison, the APF funding, and the up-front payment schedule.

(1) The MOA will serve as the basis for creating the APF obligation and forwarding the money to the NAFI/entity.

(2) MWR management will employ NAF rules and procedures in execution of the services authorized APF and funded per the MOA.

e. Expenditures authorized APFs and paid in accordance with the UFM process will be recorded in a specially coded department on the NAF financial statement.

f. At year end, the MWR expenses authorized APFs must equal or exceed the UFM income. Any recorded expenses excess to the amount of APFs provided as a result of the MOA will be termed APF shortfall.

g. The following general UFM human resource guidance will apply:

(1) Vacant MWR U.S. citizen APF positions will convert to NAF and be filled under NAF staffing and policy procedures (AR 215–3). Exceptions to this are certain positions retained as APF to fulfill statutory return rights obligations until the statutory obligation no longer exists.

(2) All permanent MWR APF employees may voluntarily convert to NAF in their current position and will be formally offered an opportunity to do so. APF employees in temporary positions cannot convert.

(a) When an APF employee voluntarily converts to NAF under UFM, the employee’s rate of base pay will be set at a rate within and not to exceed the pay band to which assigned that is equal to the rate of pay (including locality pay, special salary rates, and so on) being received as an APF employee immediately before conversion.

(b) Pay for wage grade (WG, WL, WS) employees voluntarily converted to NAF Federal Wage Scale positions will be fixed at the highest available step within grade that does not exceed the previous wage grade rate of pay. Incentive payments will continue for converted APF employees under the same conditions and time limitations as if they had not converted.

(c) APF employees converting to NAF who are serving on overseas transportation agreements will retain the entitlements and obligations specified therein related to tour dates and return move funding.

(d) Once an employee converts, he/she is subject to the rules and regulations that apply to NAF personnel (AR 215–3).

(e) The offer to convert to NAF is indefinite. APF employees will not be removed from their position because they elect not to convert to NAF.

(f) Conversion will be without a break in service and will not entitle an employee to severance pay, back pay, or separation pay under 5 USC Chapter 55, Subchapter IX, or be considered an involuntary separation or other adverse personnel action entitling an employee to any right to benefit under such title, or any other provision of law or regulation.

(3) Specific additional guidance is contained in Uniform Funding and Management–Army Implementation Guidance at www.armyufm.com.

5–4. Remote and isolated sites

a. The primary criterion for requesting remote and isolated designation is that the garrison has category C MWR programs and is unable to maintain financial self-sustainment of these programs. Category C MWR programs (includes exchanges and excludes golf courses grounds maintenance) will then be granted an exception to APF funding policy, allowing them to receive APF operating support on the same basis as category B MWR programs.

b. Garrisons must submit the following documentation:

(1) *Installation information.* The following installation information is required:

(a) Garrison and location.

(b) City/state/country.

(c) Continental United States (CONUS)/OCONUS.

(d) IMCOM Region area.

(e) Tour length (12, 24, 36 months).

1. Accompanied.

2. Unaccompanied.

3. Student.

(f) Installation population.

1. Military

2. Civilian.
3. Family members.
4. Total.

(2) *Financial capability and performance.*

(a) List all current category A and B MWR programs, with both APF and NAF expenses for current year and 3 prior years, as outlined in table 5-1.

Table 5-1
Appropriated Fund and Nonappropriated Fund expenses, current year (and 3 prior years)

MWR program	Minimum APF authorized funding standard ¹	APF expenses	NAF expenses	Total	% of APF expenses
Category A	85%				
(List all category A programs)					
Category B	65%				
(List all category B programs)					

Note s: 1 Per DODI 1015.10 (Enclosure 7).

(b) Provide a balance sheet for NAF expenditures for the current year and 3 prior years.

(c) Provide an income/loss statement for category C MWR programs for the current year and 3 prior years.

(d) Include a capital improvement plan to include equipment, construction, and NAF major construction for the current year and 3 prior years.

(3) *Assistance provided.* Provide the degree of assistance provided from the IMCOM Region or higher headquarters (FMWRC). Assistance includes monetary or staff visits, to include dates, amounts, projects, and results.

(4) *Management review and support.* Explain how category C programs are being managed to meet community needs within local constraints, for example—

- (a) Adequately capitalized.
- (b) Impacting the garrison MWR operating entity.
- (c) Not overbuilt for military community needs.

(5) *Alternative category C programs.* List installations and/or local communities with distances from subject installation/site. Explain applicable problems such as—

- (a) Cost prohibitive (high cost/tourist area).
- (b) Language/culture barrier.
- (c) Extreme year-round or seasonal environmental conditions exist that would prevent off-base recreation.
- (d) Distance problems.
- (e) Security restrictions or conditions that would seriously impact use of on-base or off-base category C MWR-type programs.

c. Additionally, garrisons will document and explain any extenuating circumstances that seriously hinder the operation of the garrison's category C MWR programs, to include where applicable—

(1) *Geographic separation.* Installations or sites with fewer than 3,000 active duty military personnel assigned that are at least 30 minutes commuting time (during normal driving conditions) from a civilian community or other military installation that has three or more different category C-type programs, with one or more being a bowling center, golf course, or marina.

(2) *Customer fluctuation.* Population fluctuates because of significant temporary increase or decrease in personnel assigned for training or other temporary purposes.

(3) *Environmental factors.* Some environmental factors will prevent category C MWR programs from being profitable, such as—

- (a) Currency fluctuation.
- (b) Logistic support.
- (c) Personnel (local labor issues).

(d) Security (special security conditions that seriously impact use of on-base or off-base category C MWR-type programs).

(e) Short tour location (fewer than 36 months accompanied; fewer than 24 months unaccompanied; reason installation is designated as short tour).

d. Garrisons may submit documentation requesting remote status, which requires OSD approval, through their IMCOM Region and IMCOM HQ to the Commander, Family and Morale, Welfare and Recreation Command, 4700 King Street, Alexandria, VA 22302-4419.

e. Garrison commanders at locations currently designated as remote and isolated will continually review the justification for remoteness. When circumstances change substantially and the criteria for their remote designation are not met, garrison commanders will advise FMWRC of the change and request deletion from the remote designation listing at table 5-2.

Table 5-2
Remote and isolated garrisons approved by the Department of Defense

Country	Garrison
Germany	East Camp Grafenwoehr (to be removed end of FY 2007)
	Hohenfels Training Area
	South Camp Vilseck
Italy	Camp Darby
Japan	Akizuki Ammunition Depot
	Torii Station
	Sagami General Depot
	Sagamihara Housing Area
	Camp Zama
Korea	Camp Jackson
	Camp Hialeah
	Camp Humphreys
	Camp Henry
	Camp Walker
	Camp Casey
	Camp Hovey
	Camp Red Cloud
	Camp Stanley
	Camp Carroll
	Camp Long
	Camp Eagle
	Yongin
K-16	
Saudi Arabia	All garrisons
The Netherlands	598th Transportation Terminal Group
United States	Kilauea Military Camp (KMC)
	Fort Wainwright
	Fort Greeley
	Yuma Proving Ground
	Fort Irwin
	Pohakuloa Training Area
White Sands Missile Range	

**Table 5-2
Remote and isolated garrisons approved by the Department of Defense—Continued**

Country	Garrison
	McAlester Army Depot
	Dugway Proving Grounds
	Fort McCoy
	Pine Bluff Arsenal
	Sierra Army Depot

5-5. Base realignment and closure and Global Defense Posture Realignment

a. Base realignment and closure locations—

(1) At designated base realignment and closure (BRAC) locations, category C MWR programs may be considered “remote and isolated.” This means that category C MWR programs (excluding golf course grounds maintenance) may be authorized the same funding as category B MWR programs (see app D) using available APFs. The timing of such authorization will be determined by the garrison commander, in coordination with the IMCOM Region, in order to provide essential needs and support a reasonable level of service to the remaining population.

(2) Conversion of a position from NAF to APF will be prohibited after the closure announcement.

(3) APFs may finance costs that are a direct result of an approved BRAC action. Those costs will include, but are not limited to, permanent change of station (PCS) for NAF employees, NAFI/entity unemployment and severance payments associated with NAF personnel, and facilities construction. NAFI/entity realignment and closure costs are authorized funding from all BRAC accounts, not only the Reserve Account. NAFs are prohibited from funding the disposal of excess or surplus property disposal or unemployment compensation resulting from a BRAC action.

(4) Policies on the disposition of NAF personal property and proceeds from the sale of NAF personal property are addressed in chapter 17.

(5) Proceeds from the sale of NAF real property or facilities transferred or disposed of in connection with the closure or realignment of a military installation are deposited in a Reserve Account created by 10 USC 2687. These funds may be used without further appropriation for the purpose of acquiring, constructing, and improving real property and facilities for NAFIs/entities.

(6) The IMCOM Region as successor NAFI will monitor the closing of the installation to ensure the prudent expenditure of NAF and disposition of property. A terminal audit will be performed to identify the amount of residual NAF assets or liabilities to be transferred to the successor NAFI. The terminal audit will also identify the book value of NAF assets, the proceeds of which transfer or disposal will be identified for future claims against the Reserve Account. NAF contracts will be terminated, as necessary, through the supporting NAF contracting office.

(7) Continued operation of MWR programs to serve the remaining active duty population at installations that have closed is addressed in chapter 8 (sec III).

(8) More specific information on MWR BRAC related actions is contained in FMWRC guidance on Army BRAC installations.

b. Global Defense Posture Realignment locations—

(1) IMCOM Directors and garrison commander will make final decisions on whether to continue to deliver MWR programs at overseas closing locations (areas other than the 50 United States and the District of Columbia) in order to provide services to the remaining population.

(2) When it is determined that MWR programs be continued at overseas closing locations, category C MWR programs (includes AAFES and supplemental mission NAFIs) are authorized the same level of APF support as that authorized for category B MWR programs. Available APFs may be used for manager personnel; custodial and janitorial service; printing and reproduction, supplies, equipment, internet operations, data automatic, and sustainment and restoration to keep facilities in good working order (see app D and glossary of terms).

(3) APF support is not authorized for functions related to the sale of merchandise or services. APFs authorized for categories A and B MWR programs will not be diverted to support category C MWR programs.

5-6. Special security conditions

a. Additional APF support is authorized for garrisons to continue their category C MWR programs (excludes golf courses) during force protection conditions (FPCON) at CHARLIE and DELTA. APF support to categories A and B

programs will not be diverted for this purpose. Such garrisons may not be capable of self-sufficiency because of special security conditions, such as continued threat of terrorist attack, civil disorder, political unrest, or criminal activity, that prevent authorized personnel from using on and off-base recreation facilities.

b. The level of additional APF support authorized to be provided during such periods will be limited to the minimum necessary to ensure program availability. The APF support is further limited to civilian personnel with garrison management and supervisory functions of the program with the exception of personnel directly and primarily involved in resale; utilities and rents; and custodian and janitorial services (see appendix D).

c. Additional APF support is authorized to operate category C MWR programs only during such periods as necessary to help sustain their capability to generate NAFs to support category B MWR programs and to maintain force readiness. The purpose is not to subsidize category C MWR programs to preclude a financial loss. Additional APF support will be absorbed within current resources. APF support to categories A and B MWR programs will not be diverted for this purpose. If costs are covered by other contingency funds, this authority may not be implemented.

d. This authority is available only to programs located on an installation designated under FPCON CHARLIE and DELTA by the combatant commander, military service chief, or equivalent DOD civilian. Individual installations may upgrade their FPCON; however, they are not eligible for additional APF support unless the FPCON upgrade is ratified by the combatant commander, military service chief, or DOD civilian exercising equivalent authority. The APF authority will be discontinued at the end of the same fiscal year quarter during which the designated FPCON is disestablished or downgraded.

e. APF support will be reported in the annual report on APF support to MWR programs by element of expense in Schedule A to APF and NAF Expense Summary required by DODI 1015.15 (Enclosure 7, attachment 4).

Section II

Nonappropriated Fund Funding

5–7. Army Morale, Welfare and Recreation Fund

See paragraph 16–8, this regulation.

5–8. Region oversight morale, welfare, and recreation funds

a. Region single MWR funds. This is a separate region NAFI, which consolidates all garrison funds within the region, as well as centralized functions for the garrisons within the region, such as procurement, financial management, civilian personnel, marketing, and so on. Defense Logistics Agency (DLA) NAFIs will remain separate NAFIs, as well as specific supplemental mission NAFIs.

b. DLA MACOM oversight and single MWR funds. These are MWR funds established by HQ, DLA, to include DLA garrison MWR funds, which are excluded from the IMCOM Region structure. DLA directors will assume the same responsibilities as those for IMCOM Region directors (see chap 2). Policies in this regulation will apply to DLA MWR funds and programs.

c. Responsibility. The Region single-fund management will provide oversight of garrison MWR operating entities, including the MWR operating programs and, when necessary, Region single-fund management may subsidize unprofitable garrison MWR operating entities, to include cross-leveling funds of MWR fund NAFIs within or among the regions.

d. Army-level requirements (ALR) self-sufficiency exemption (SSE) requests. Region directors may submit ALR SSE requests to FMWRC. An SOP on the ALR SSE program will be issued separately by FMWRC via the MWR website, www.armymwr.com.

5–9. Garrison morale, welfare, and recreation operating entity

a. The garrison MWR operating entity is an integral part of the IMCOM Region single MWR fund. The term refers to the group of MWR programs offered at the installation that fall within the garrison commander's responsibility (previously referred to as the "installation MWR fund").

b. Garrison-level NAFs will be generated primarily by local sales of goods and services and user fees and charges.

c. NAFs generated by each MWR program will be pooled into the IMCOM Region single MWR fund and allocated to MWR programs based on garrison priorities and the provisions of this regulation.

5–10. Supplemental missions

a. Supplemental mission funds/NAFIs are quality of life adjuncts to APF mission programs, other than those recognized as MWR programs. NAFs generated and the expenditure of those NAFs is restricted to the purposes of the supplemental mission fund/NAFI. Supplemental mission NAFs will not be used to support the training, lodging, food ser-

vice, security or other functions of the official mission. Expenditure of supplemental mission NAFs is authorized to support the operational functions of the supplemental mission, such as procurement of items for resale and management of NAF resources. More specific authorized expenditures of supplemental mission NAFs may be described in separate regulations (for example, AR 608-1, app J, Family Readiness Groups). APF support to the APF mission for which these supplemental mission funds/NAFIs are designated is not APF support to MWR.

b. NAFs generated by SMs will not be used to subsidize MWR programs, nor will NAFs generated by MWR programs be used to subsidize SMs, unless authorized elsewhere in this regulation or other regulations.

c. Some SM funds are consolidated within the IMCOM Region single MWR fund and some are established as separate NAFIs. Accounting for SM funds as part of the IMCOM Region reduces overhead expenses in the operation of a separate NAFI. At some garrisons, the school lunch program and museum funds are consolidated within the IMCOM region single MWR funds; at other garrisons, they are separate NAFIs.

d. Examples (the list is not all-inclusive) of SMs funds accounted for within the IMCOM Region single MWR fund are—

(1) ACS (see AR 608–1), which includes voluntary gifts and donations received by ACS activities from private sources.

(2) Veterinary services (see AR 40–905), which are fees paid by pet owners to cover the cost of supplies, drugs, and veterinary treatment for the prevention and control of diseases or conditions, which may cause a community health problem. The separate user fee added to each transaction is deposited to the U.S. Treasury.

e. Examples (the list is not all-inclusive) of SM NAFIs excluded from consolidation into the IMCOM Region single MWR fund include—

(1) Army Lodging Funds, which are service charges and fees generated through official travel lodging activities as well as through housekeeping services for unaccompanied personnel housing. Funds accrue to separate lodging NAFIs.

(2) Fisher House Funds, which are fees, gifts, contributions, and other revenue in support of Fisher Houses, an extension of medical treatment facilities.

(3) Vehicle registration funds, which are fees charged to overseas military and civilian personnel to offset costs of providing registration and licensing of POVs and NAF vehicles. This service is in accordance with SOFAs.

(4) USMA funds (see AR 210–3), which includes fees charged for and associated with USMA extracurricular activities (Army Athletic Association and Cadet Activities).

(5) Fort Leavenworth U.S. Disciplinary Barracks Fund, which is income from the sale of goods and services resulting from inmate vocational training programs.

(6) USAREUR Statutory Accident Insurance Fund, which includes the Workers' Compensation Insurance Program and which reimburses the German Government for the German workforce.

(7) The U.S. Military Academy Prep School.

(8) Army Historical Museum Funds (see AR 870–20), which includes the Carlisle Barracks Museum and Omar Bradley funds. Voluntary contributions or donations, service charges, dues, gift shop revenue, and other income.

(9) Soldier and Family Assistance Center (SFAC) Donations Fund, which is the central fund for deposits of monetary (checks and money orders) gifts/donations. These supplemental mission NAFs are used to provide quality of life services, items, and supplies in support of the Warriors in Transition and their Families and for which APFs are not authorized to provide.

5–11. Private property

Private property such as boats, recreational vehicles, horses, and aircraft owned by individuals and located on Army garrisons will be charged fees to cover expenses for services such as storage, utility use, boarding, and the like, including overhead expenses.

5–12. Resale operations

Except those required to sell at cost, MWR resale operations are self-sustaining, NAF funded, and managed according to this regulation (see chap 12).

Section III

Authorized and Prohibited Uses of Nonappropriated Funds

5–13. Authorized use

Appendix D addresses authorized uses of APFs. MWR NAFs are used only to pay for, or defray the cost of, a wide range of MWR programs or functions integral to the functions for which the NAFI/entity was established, unless specifically

stipulated otherwise in this regulation. Funds from supplemental mission NAFs support only the requirements for which they were established. In all cases, NAFs are used judiciously and not as a matter of convenience. MWR NAFs may be expended for authorized APF MWR-related purchases under the DOD MWR USA/UFM funding practices (paras 5–2 and 5–3). Otherwise, NAFs will not be used when APFs are available (see appendix D on APF authorizations). In addition to authority for using NAFs and prohibitions stated elsewhere in this regulation, the following apply:

a. Awards.

(1) IMCOM Region directors or their subordinates may authorize the use of APFs to purchase trophies and similar devices for award to Soldiers and units according to criteria in AR 600–8–22 (chap 11) for—

(a) Their excellence in accomplishments and competitions, which clearly contribute to the increased effectiveness or efficiency of the military unit.

(b) Competition in intramural and athletic competitions.

(2) NAFs may be used to pay cash awards or to purchase savings bonds, equivalent securities, trophies, plaques, or other items to recognize civilian and military excellence in athletic or nonathletic competition and proficiency in recreational programs or to acknowledge unusual accomplishment supporting special events, as follows:

(a) Cash, savings bonds, or equivalents will not be awarded in connection with amateur sports competitions when prohibited by the cognizant national sports governing body.

(b) Events and competition that include prizes or trophies will be officially established, announced in advance, conducted within a stated period of time, and have uniform eligibility criteria.

(c) All individuals or organizations supported by the sponsoring NAFI/entity will be given an equal opportunity to participate. When limitations are established, such as grade limitations for Soldier-of-the-Month competitions, additional programs such as Noncommissioned Officer of the Month will be established to include those segments of the community previously excluded.

(d) Eligibility to participate will be limited to authorized patrons of the sponsoring NAFI/entity unless the garrison commander authorizes participation by members of the local community or others to foster community relations.

(e) The total value of prizes, in cash or any other form, will not exceed \$500 for individual, team, or unit awards unless higher limits are approved at the IMCOM Region level. FMWRC may approve higher limits for awards for specific garrison, IMCOM Region, or Armywide competitions conducted by FMWRC.

(3) Awards honoring volunteers or gratuitous service personnel at volunteer recognition ceremonies may be purchased with NAFs.

b. Mementos. Mementos (not to exceed \$200) may be purchased for presentation to distinguished military and other visitors in recognition of their contributions to the Army's MWR program (or NAFs of non-MWR NAFIs, when recognition is related to the purpose for which the NAFI was established).

c. Incentive awards programs. Such programs for NAF employees are outlined in AR 215–3.

Note. Incentive awards programs for APF employees are outlined in AR 672–20. APF employees and military personnel are excluded from the NAF awards programs but are eligible to participate in the NAF suggestion program and may be nominated for award of The Order of the White Plume.

d. Food and beverages.

(1) The purchase of food and beverages (to include alcoholic beverages) is authorized from NAFs for distinguished visitors, official guests, and others as outlined below. Use of NAFs to defray associated costs (linens, cleaning costs, master-of-ceremony fees, entertainment, and decorations) entailed with hosting MWR events and distinguished persons is an authorized NAF expense. The following NAF expenditures must support the MWR program and be in keeping with rules of protocol and in the best interest of the Army.

(a) Recognition celebrations in honor of individuals providing voluntary services to missions, which support Soldiers and their Family members.

(b) MWR events open to the entire military community and approved by the garrison commander. Alcoholic beverages provided at these events are limited to malt beverages and wine. Events should be of a traditional historical or military nature. Dignitaries from the local community may be invited to the MWR event to promote good community relations.

(c) Luncheons, dinners, and special occasions hosting officially invited distinguished visitors or honoring military personnel for unique MWR accomplishments, when approved by the garrison commander. NAFs will be used to pay food and beverage (including alcoholic beverages) costs of the person being honored and guests accompanying the person being honored. All other attendees are required to pay.

(d) Distinguished visitors officially invited to participate in service school functions, including a limited number of students and faculty, and service school students attending receptions, graduation events, and other special occasions. Approval by the service school commandant or superintendent is required.

(e) Receptions or meals provided to registered attendees in conjunction with authorized Army MWR worldwide conferences.

(2) Per diem for meals (or receptions if considered meals) provided per paragraphs 5–13d(1)(c) through 5–13d(1)(e) will not be claimed on the travel voucher if in a temporary duty (TDY) status.

(3) See program policy in chapter 8 for authorized expense accounts for the purpose of food and beverages.

e. *Civilian employee awards celebrations.* Nominal celebratory expenses and refreshments for MWR and NAF civilian employee awards celebrations are authorized with NAFs, subject to the following or similar procedures. Garrison commanders must prescribe local procedures and they must withstand the test of public scrutiny.

(1) Refreshments will be limited to coffee, tea, juice, and/or soft drinks, and fruit, cheese and crackers, and donuts, cookies, and/or cake. Banquets, luncheons, or meals are not authorized.

(2) Celebrations will be infrequent, no more than quarterly, and include a number of employees receiving awards for the previous period.

(3) NAF expenses will be kept to a minimum, commensurate with the frequency of the occasion.

(4) Monies are budgeted for the ceremonies, within each program.

(5) Celebrations are limited to NAF program employees, recognizing them for improvements in customer relations, customer service, winner of sales contests, and employee of the month, quarter, or year. These celebrations will be geared to the program-level employee, rather than garrison, IMCOM Region, or DA-level (ECECS) employees.

(6) Annual appraisal certificates may be presented, but should not be the basis for holding such celebrations.

(7) See paragraph 5–14h for prohibited use of NAFs.

f. *Hosting Army Soldier Show.* NAFs may be used for expenses involved in hosting the Army Soldier Show. Specific hosting requirements are issued annually by FMWRC. Expenses may include lodging, refreshments, and meals.

g. *Personalized printed material.* NAFs may be used only to purchase business cards used by MWR managers, marketing personnel, or other MWR personnel who need to exchange or distribute business cards in the performance of their jobs.

h. *Memberships.* Professional, trade, or civic association membership dues and fees may be funded with NAFs. Membership must benefit the MWR program or NAFI mission and be in the name of the organization (MWR program; NAFI; or position, such as Director, MWR), not that of any individual. AR 360–1 prescribes the use of APFs for command memberships that support MWR programs.

i. *Professional accreditation.* NAFs may be used to pay the cost for NAF employees to obtain and renew professional credentials, including expenses for professional accreditation, State-imposed and professional licenses, professional certification and examinations to obtain such credentials, when beneficial to the NAFI/entity and subject to the following:

(1) Payment of expenses will not be an entitlement. Continued payment of expenses associated with licenses and certification will be discretionary and not guaranteed.

(2) Priority for payment of expenses associated with licenses and certification and related expenses will be given when it is required by appropriate local, State, or Federal Government authority to perform the work required by an employee's position.

(3) This authority does not apply to payment for academic degrees or fees for membership in professional societies or associations.

(4) Payment will be made on a reimbursable basis upon the successful receipt of the credential. Reimbursement is made through completion of OF 1164 (Claim for Reimbursement for Expenditures of Official Business) and will be paid from the NAFs used to pay other pay and benefits of the NAF employee. Reimbursement of expenses is not retroactive. The employee requesting reimbursement under this authority must have written approval from the appropriate approving official prior to incurring the expense.

(5) An annual report will be required by the Office of the ASA (M&RA) to evaluate the effectiveness of this program. The report will be submitted by IMCOM Region through appropriate channels to the Office of the Deputy Chief of Staff, G–1 (DCS, G–1) and include, at a minimum, the amount of payments made by job series and grades, and race and national origin, and credentials obtained. The Modern Defense Civilian Personnel Data System will be modified to provide essential data for program evaluation.

j. *Personnel costs.*

(1) *Salary and benefits.* NAF personnel-related costs for NAF employees or contracted services will be paid in accordance with AR 215–3 and AR 215–4.

(2) *Extra pay.* The payment of commissions, fees for services, or any other extra remuneration to NAF employees is described in AR 215–3. Restrictions on advance pay for foreign nationals will be waived when such payments are permitted by applicable agreements.

k. Unit funds. Unit funds will be used for the collective benefit of all unit members for off-duty recreational purposes as outlined in this regulation. They also may be used to purchase unit histories and related materials for presentation to all unit members and new members when they join; for distinctive insignia, when APFs are not authorized by AR 670–1; and welcome home celebrations (see para 8–29). Policy on unit fund dividends is contained in chapter 6.

l. NAF limited-term leasing of recreational facilities.

(1) NAFs may be used to contract for limited-term leases of condominiums, campsites, or other types of recreational facilities at off-site locations, for use by authorized MWR patrons for recreation during off-duty times (military units, groups, or individuals).

(2) Lessor will not be exempt from local property taxes, based on immunity as a NAFI/entity. Neither the NAFI/entity nor its patrons are subject to State or local use taxes as a consequence of subleasing to authorized users (see AR 215–4).

(3) The lessor must retain liability insurance for injuries or loss occurring on or in leased property.

m. Reimbursement of volunteer incidental expenses (10 USC 1588). Volunteers may be authorized reimbursement for certain incidental expenses in the course of providing voluntary services. Volunteer incidental expenses may be paid from available APFs or budgeted NAFs. The commander or official in charge of the sponsoring organization accepting the voluntary services will determine that reimbursement is necessary to obtain the voluntary services and that the amount to be reimbursed is reasonable in amount and in relation to the value of the voluntary services provided, following coordination with the responsible resource manager. Voluntary services may be provided to programs providing services to members of the armed forces and their Families, to include, but not limited, to Family programs and Family readiness, child, youth and school services, library and education, religious, housing referral, employment assistance to spouses of such members, and MWR. AR 608–1 provides more detailed guidance on determining whether to reimburse the volunteers with APFs or NAFs. It also provides guidance on when volunteers are considered employees of the Federal Government and the NAFI/entity. Chapter 13 of this regulation provides additional policy on volunteers. Funding may be provided on an equitable basis and in accordance with the following:

(1) *Reserve Component (RC) volunteers.* To satisfy volunteer reimbursement requirements, the Director, Army National Guard (ARNG), and the Chief of Army Reserve may submit ALR SSE requests annually for the subsequent fiscal year (see chap 16) to FMWRC for review and approval. Regional Readiness Commands and State Adjutants General will be responsible for the accountability of reimbursement expenses in their geographic area.

(2) *Child care for volunteers.* Available APFs will be authorized for child care expenses of volunteers. Budgeted NAFs may be used only when certified that APFs are not available. NAF expenses may be reimbursed by one of the following reimbursement methods, dependent upon the availability of child care:

(a) Those using alternate child care or approved Family child care (FCC) (see definitions for both in AR 608–10) may be reimbursed from petty cash funds using accounting controls described in appendix G of this regulation and DFAS-IN 37-1 Regulation, Chapter 32. The reimbursement amount will not exceed the appropriate child development center (CDC) hourly rate or approved range of FCC fees for equivalent care.

(b) Those using the CDC will sign for services rendered at the CDC on their agency specific sign-in sheet. The sign in sheet will be attached to the daily activity report (DAR) and forwarded daily to the CAO for accounting as an interactivity expense transfer. Copies of sign-in sheets will be sent to the user agency monthly at a minimum for reconciliation. Programs using interactivity expense transfer will ensure that funds are available to cover child care expenses. To verify hours eligible for reimbursement, volunteers will be given a voucher to present to the CDC when their child is picked up. Child care over and above the time indicated on the voucher will be the responsibility of the volunteer.

(c) Responsibility for resolving discrepancies between CDC sign-in sheets and actual hours contributed rests with the sponsoring organization. To prevent abuse, sponsoring organizations will review sign-in sheets and follow up on discrepancies.

(3) *Training.* Funding will be authorized for volunteer training to include enrollment expense, travel, and per diem, held at another site, if it is determined that the supported organization would benefit from the offsite training.

(4) *Funding for travel.* APF and NAF funding for travel will be in accordance with the JFTR and Secretary of the Army Travel Policy Army Directive 2005–01. Generally, when a volunteer spouse or other qualified individual is selected to serve as a member of the delegation to an official conference concerning Army Family programs or quality of life/well-being issues, the organization that is sponsoring the conference may authorize the sending command to issue invitational travel orders (per diem authorized) for that volunteer’s travel if certain conditions apply. Those conditions are detailed in Army Directive 2005–01.

(5) *Telephone bills.* Reimbursement for long-distance telephone calls made as a result of volunteer duties will be authorized if documented and approved in advance.

(6) *Mileage and parking.* Use of a POV to perform volunteer duties is a reimbursable expense. Current Government rates (see the Joint Travel Regulations (JTR)) will be used. Necessary parking fees incurred in the course of performing voluntary services is a reimbursable expense. A receipt is required to receive reimbursement.

(7) *Newsletters.* Family readiness groups may use Government printing supplies and equipment and APF for postage for command authorized newsletters containing information that is otherwise unofficial, when the local commander determines that its dissemination may improve morale or esprit de corps. An unofficial item may be included only if it is not otherwise prohibited by DOD 4525.8–M, it does not exceed 20 percent of the printable space used for the official items, there are no increased costs to the Government, and it does not include personal wanted/for sale advertisements. (Newsletter content is official when it is educational, promotes unit cohesion, and is related to unit mission, Family readiness group programs, and Family and unit readiness.) (Unofficial information is nonmission related and more personal in nature, such as birth announcements, anniversaries, birthdays, recipes, fund raising for private organizations, and other similar events.) NAFs or funds generated by Family readiness groups may be used for mailing unofficial newsletters and to mail newsletters containing official information when APFs are authorized but certified not available.

(8) *Food and beverage.* Refreshments and other food and beverage furnished to volunteers normally are not considered incidental reimbursable expenses except—

(a) Volunteer spouses of Soldiers authorized to use APF dining facilities may be reimbursed with NAFs for the difference between the discounted and standard meal rate charged at APF dining facilities.

(b) If a volunteer from the local area is providing a service in support of an official conference concerning Army Family programs or quality of life/well-being issues, the costs for food and beverage, with the exception of alcoholic beverages, may be reimbursed by the organization sponsoring the conference. (JTR, para C2400–B, may be used in establishing the “local area” for this purpose.) The costs of the food and beverages will not exceed Government per diem and be provided only on the day(s) of the voluntary service.

(c) As with other payments to volunteers, prior approval of the reimbursement by the sponsoring organization officer or official in charge will be required as outlined in paragraph 5–13m.

(9) *Recognition.* Contributions and achievements may be acknowledged through appropriate recognition celebrations funded with NAFs. Recognition programs may include presentation of mementos, nonmonetary awards, certificates, and identifying insignia, and the purchasing of food and beverages for those persons being recognized.

n. Child care for Family members of military personnel attending installation wide newcomer orientations. Reimbursements of child care expenses for Family members of military personnel attending installation wide newcomer orientations may be funded from locally available NAFs. NAF reimbursement methods are the same as for child care for volunteers (see para 5–13m).

o. Foster Grandparent Program (APF and NAF funding).

(1) Use of APFs for Foster Grandparent Program participants will be limited to Family advocacy cases involving suspected or substantiated child abuse or neglect and only when the Family Advocacy Case Review Committee determines that—

(a) Foster grand parenting is required to prevent further abuse or neglect or as part of an ongoing program of treatment.

(b) The parents or guardians of the child are unable to pay the cost of such services.

(2) Garrison commanders may authorize use of local NAFs in situations where APF use is not authorized.

p. Commercial printing. NAFs may be used for commercial printing of material containing commercial advertisements and commercial sponsorship (see chap 11).

q. Programs closely associated with MWR programs. Limited MWR NAFs will be authorized to enhance the delivery of non-MWR programs closely associated with MWR programs or morale of Soldiers, Families, or DOD civilians. NAFs will be authorized only when APFs are not authorized. Historically, NAFs are used to support such programs as Army Family Team Building, Army Family Action Plan, Soldier of the Year, Commandant’s school activities, overseas scouting, reimbursement of volunteer incidental expenses, and Army Community Service. Examples of limited NAF expenditures include mementos, hosting, recognition celebrations, nonmonetary awards, distinctive clothing, food locker items, and promotional items.

r. Promotional items. NAFs will be authorized to purchase promotional items used in marketing MWR programs. Promotional items include T-shirts, pens, hats, key chains, mugs, seasonal promotional greeting cards sent by MWR organizations, and other items of a single nominal value. Promotional items may be inscribed with the name of the activity or an MWR program, but they cannot be personalized (names of individuals).

5–14. Prohibited uses

a. Public scrutiny. NAFs will not be used for any purpose that cannot withstand the test of public scrutiny or which could be deemed a misuse or waste of Soldiers’ dollars.

b. Authorized APF expenditures. NAFs will not be used to pay costs in acquiring items or services authorized to be paid from APFs when APFs are available (except under DOD MWR USA/UFM funding practices, see paras 5–2 and 5–3). However, NAFs may be used—

(1) When the appropriate official certifies in writing that authorized APFs cannot satisfy the requirement.

(2) When functions, programs, and activities to be funded with NAFs are integral to the functions for which the NAFI/entity was established, unless otherwise specified elsewhere in this regulation.

c. Support of private organizations. NAFs or NAF assets will not be transferred to POs as dividends or other distributions. NAFIs/entities will not provide NAF financial assistance in the form of contributions, repairs, services, dividends, or other donations of money or other assets to private organizations or individuals unless authorized by other regulations, DOD policies, or law. For assistance to Scouting organizations, see DODI 1015.09.

d. Distributions to charities. NAFIs/entities will support only those programs and functions for which the NAFI/entity is organized. NAFIs/entities do not contribute to or engage in fundraising activities for charities, foundations, and similar organizations nor collect or disburse donations of private or personal nature.

e. Real property. Purchase of real property (land, buildings, and other fixed improvements) will be limited to the acquisition of commercially owned buildings on Government property.

f. Garrison MWR operating entity revenue deposits. Revenues generated from a defined MWR program will be deposited in accounts at the IMCOM Region and used only for reinvestment in the MWR program, unless otherwise authorized in this regulation.

g. Supplemental mission income or expenses. Supplemental mission programs may be accounted for in the Region single MWR fund. The income generated by supplemental mission programs may be used only to support the specific program or function for which the account was established including their NAF capital expenditures and fund management overhead. Other MWR NAFs will not be transferred to or expended from supplemental mission accounts, and supplemental mission NAFs will not be expended for the MWR mission. As an example, donations designated for ACS may be deposited in the Region single MWR fund ACS supplemental mission account. The amount deposited will be used only to support the ACS mission and other MWR NAFs are not used to supplement the ACS account (unless authorized elsewhere in this regulation.)

h. Food and beverages. NAFs will not be used to pay for refreshments or meals for any person except as described in this regulation.

i. Non-MWR functions.

(1) NAF payment for any expense involved in a change of command or retirement ceremony, command representation, protocol function, scholarships, free mailing or postage, unit ceremonies, or any other specific benefit for select individuals or groups will not be authorized.

(2) Items for retirements, funerals, or other such personal-type events will not be purchased with NAFs.

(3) NAFs will not replace or supplement appropriations for public affairs, medical, religious, or other activities or programs that are outside the purposes for which the NAFI/entity was established.

(4) NAFs will not be used for costs of employees who are not performing duties directly related to the NAFI/entity function or mission.

j. No proprietary interest. Individuals, units, organizations, garrisons, or installations do not have proprietary interest in NAFs or NAFI/entity assets.

k. Personal items. NAFs will not be used for personal items, such as memo pads including personalized memo pads used at work, or personal greeting cards.

l. Personal loans. NAFs will not be loaned to individuals, either in cash or as an advance payment of wages or allowances, except as provided for in AR 215–3.

m. Payments to individuals. Cash, securities, or other NAF assets will not be paid to individuals, except for awards and other recognition programs provided for in this and other regulations. Payments to individuals for service contracts or for costs associated with administering the NAF personnel system prescribed in AR 215–3 are not considered payments to individuals.

n. Contracts.

(1) NAF contracts with military or civilian APF or NAF employees will be prohibited except as authorized by AR 215–4. Common law rules to determine whether an individual is an independent contractor are in DOD 7000.14–R, Volume 13, chapter 8; see also IRS Pub 15-A.

(2) NAFs and NAF contracting personnel and procedures will not be used for APF purchases. NAF contracting offices cannot obligate APFs.

o. Sale of drug paraphernalia. NAFIs/entities will not purchase, distribute, or sell any material, device, or equipment that is known to be used in conjunction with illegal, illicit, or prohibited drugs of any type.

p. Dual funding. NAFs will not be used to—

- (1) Duplicate or augment authorized individual or unit awards financed from APFs.
- (2) Augment APF construction (see chap 15).

q. *Political activities.* See AR 360–1 pertaining to election year policies.

(1) NAFs will not be used directly or indirectly for any personal service, advertisement, e-mail, telephone call, letter, printed or written matter, or other communication intended or designed to influence any public official. This prohibition does not apply to NAF personnel communicating with or preparing correspondence in response to requests from such officials or preparing requests for legislation or appropriations that are necessary in the conduct of official business.

(2) NAFs or MWR facilities will not be used by any candidates for public office, political assemblies, or meetings and/or any other activity that could be construed as politically oriented.

r. *Uniform items.* NAFs will not be used to purchase any military uniform item (except as authorized in para 5–13), including band uniforms or other articles of individual or organizational military equipment.

s. *Military medical treatment facilities services.* NAFs will not pay for the initial emergency medical treatment after an on-the-job injury (or illness) (see para 19–87), for physical examinations required as a condition of employment or for predeployment physicals for NAF employees. Payment for nonemergency services is a personal financial responsibility.

t. *APF support.* NAFs will not be used instead of authorized APF support as a matter of convenience.

u. *Other.* See appendix D for other specific NAF prohibitions.

Chapter 6 Unit Funds

6–1. Guidelines

a. Generally, installation unit personnel will receive MWR support through participation in MWR programs at the installation to which they are assigned or attached or from the coordinating garrison. Separate unit funds will not be authorized for units attached to an installation; however, at IMCOM Region direction, those units may receive direct monetary NAF support through the garrison MWR operating entity. Garrison commanders may determine the amount of NAF support. Such support will be applied equitably to all units or personnel within the installation. NAF support provided to installation units is referred to as “unit activities” and will be accounted for within the garrison MWR operating entity.

b. Separate unit funds may be established, managed, and administered at the unit level for—

(1) Isolated and deployed active Army units (to include RC units when activated for 30 or more days) and full-time support (FTS) RC personnel physically located at such a distance from the nearest military installation that requiring the use of garrison MWR facilities by Soldiers assigned or attached to the unit would be unreasonable or impractical.

(2) RC units or personnel on annual training (AT).

c. The general criteria for expenditure of unit funds and AAFES dividends (NAFs) include—

(1) Unit funds must be used for the collective benefit of all unit members for off-duty recreational purposes as prescribed by this regulation.

(2) All unit members must have the opportunity to participate in the activity supported with unit funds.

(3) Activities must relate to the MWR of the unit members. Family members (and guests) may participate at the discretion of the unit members.

6–2. Administration

a. Units within CONUS (area of responsibility) that are validated by Southeast Region for payment of isolated or remote full-time support dividends will submit their request for unit fund dividend payment, in accordance with instructions issued by the Southeast Region, to the coordinating garrison as listed in table 6–1.

Installation	Area of responsibility
Fort Lewis	Washington Oregon Idaho Montana
Fort Irwin	California Nevada
Fort Huachuca	Arizona

**Table 6-1
Coordinating garrisons—Continued**

Installation	Area of responsibility
	New Mexico
Fort Carson	Colorado Utah Wyoming
Fort Riley	Kansas Nebraska South Dakota North Dakota
Fort Sill	Oklahoma Arkansas
Fort Hood	Texas
Fort McCoy	Wisconsin Minnesota Iowa Michigan
Fort Leonard Wood	Missouri Illinois
Fort Polk	Louisiana
Fort Knox	Kentucky Indiana Ohio West Virginia
Fort Campbell	Tennessee
Fort Rucker	Alabama Mississippi
Fort Drum	New York Connecticut Rhode Island Maine Vermont New Hampshire Massachusetts
Fort Meade	Maryland Pennsylvania District of Columbia
Fort Dix	New Jersey Delaware
Fort Lee	Virginia
Fort Bragg	North Carolina
Fort Jackson	South Carolina
Fort Stewart	Georgia Florida Puerto Rico Virgin Islands
Fort Buchanan	Units in South America

b. There is no requirement that units request or accept NAF support. Units will not request or accept NAFs from more than one source.

c. Coordinating garrisons will request reimbursement from the responsible IMCOM Region (Southeast Region for the 48 contiguous States, Puerto Rico, and the Virgin Islands). Other IMCOM Regions will prescribe applicable unit fund dividend policy and procedures.

d. Accounting policy and reporting procedures are prescribed in DFAS-IN 37-1 Regulation, Chapter 32.

e. Unit fund councils, governing or nongoverning, may be established at the discretion of the unit commander. Composition will be representative of the unit and will include a chairperson and recorder.

f. The fund manager is the unit commander or an appointed nonvoting designee who signs and approves DA Form 2107 (Nonappropriated Fund Receipt and Disbursement Voucher) and other required property accountability documents.

g. When two or more unit funds are established at a single location, a single unit fund manager may be designated to administer each unit fund separately, as directed by the respective participating units.

h. Unit funds will be exempt from the Army Banking and Investment Program.

i. Upon disestablishment of a unit fund, all assets will revert to the fund/entity from which the unit fund received support.

j. If the Region single MWR fund resources are not available to support isolated or RC unit requirements, the governing IMCOM Region may request support from the AMWRF. Funds derived from other than Federal NAF sources as described above (Region MWR single fund, AMWRF) are not subject to the provisions of this regulation and are not commingled with Federal NAFs.

6-3. Reserve Component's unit funds and Army and Air Force Exchange Services dividends

a. The Garrison Operating MWR Entity will not purchase items for the exclusive benefit of RC personnel without reimbursement from the unit fund; however, standard items of equipment and supplies requested by unit commanders are hand receipted without charge.

b. FTS personnel will receive the same NAF support given to active Army units in isolated status.

c. Activated units or personnel will receive the same NAF support given to regular Army units or personnel.

d. Annual training.

(1) Units training at an installation having a garrison MWR operating entity will receive unit funds from that entity.

(2) If AT is conducted at an isolated location, remote from an installation with MWR facilities, unit funds may be requested from the coordinating garrison upon completion of the training.

(3) Units with members training on a year-round, modular, or fragmented program that does not entail calling the entire unit to AT may request unit funds at the end of the fiscal year from the coordinating garrison, unless otherwise directed by the Army Reserve Command.

(4) Units that cannot fully use unit funds during AT may retain remaining funds for use at home stations.

e. RC installations on which AAFES operates facilities may receive AAFES dividend payments using the Army simplified dividend formula.

f. Oversight and accountability for NAFs transferred from Federal entities (AMWRF, AAFES dividends, Region single funds, or garrison MWR operating entities) to the RC bank account will be the responsibility of the RC.

6-4. Active duty support elements

Army readiness groups, RC advisory groups, and Reserve Officer Training Corps (ROTC) instructor groups not located on an installation may be considered isolated units and request NAF support as outlined in this section. Strength reporting for dividend computation will be prescribed by the responsible IMCOM Region.

6-5. Assets of Reserve Component units released from active status

a. Unit funds of RC units released from active duty will remain in unit custody upon return to inactive duty and are accounted for as required by DFAS-IN 37-1 Regulation, Chapter 32.

b. Property purchased with unit funds of RC units while on active duty may be retained by the units upon return to inactive duty or disposed of as prescribed in chapter 17. Property purchased or owned by a garrison MWR operating entity or other garrison NAFI and loaned to RC organizations will be returned to the loaning organization.

6-6. Support of other service elements

a. Joint service and other DOD elements located on Army installations are entitled to benefits, privileges, and use of garrison MWR facilities on the same basis as any Army element. Per capita funding distributions will count personnel of tenant organizations on the same basis as personnel of the parent installation. Any request by a DOD element to establish or continue a separate NAFI/entity on an Army installation will be forwarded by the garrison commander, with appropri-

ate recommendation, through the parent IMCOM Region and IMCOM HQ, to FMWRC at the address in paragraph 3–11d.

b. Army organizations located on installations of other services are entitled to benefits, privileges, and access to MWR facilities on the same basis as the host service. For this reason, they cannot be considered isolated units eligible to establish separate unit funds.

6–7. Support of military missions in foreign countries

a. Military personnel are assigned to military missions such as Defense Attaché Offices, Security Assistance Offices, and Military Liaison Teams or are permanently assigned as Technical Assistance Field Training personnel. Responsibility for the geographical areas by military departments (MILDEP) is outlined in table 6–2.

Geographic area	Responsible MILDEP	Responsible IMCOM Region
U.S. European Command (includes Russia)	Army	Europe Region
U.S. Southern Command	Army	Southeast Region
U.S. Forces Korea	Army	Korea Region
U.S. Pacific Command (minus U.S. Forces Korea)	Navy	
U.S. Joint Forces Command	Navy	
U.S. Central Command	Air Force	
U.S. Northern Command (includes Canada and Mexico)	Air Force	

b. When military personnel providing support to military missions in foreign countries are assigned to the above geographical areas, the responsible IMCOM Region for the geographical area will provide the requested MWR support. A geographic area of responsibility map can be found at <http://www.defenselink.mil/pub/pdfs/map12-08.pdf> which can assist in determining which countries are in the responsible geographic area.

c. Using the Unified Command as the geographical area of responsibility is not intended to imply that funding support for MWR will be provided to the Unified Command or its subordinate commands/units, or that funds will be distributed through the Unified Command.

d. The Marine Corps will provide MWR support for all Embassy Marine Guard personnel.

e. The primary fund source for MWR support to military missions in foreign countries will be APF, with the exception of unit funds (NAF). Budget requirements (both APF and NAF) will be initiated and provided by each unit through normal channels to the responsible IMCOM Region and an information copy provided to the Unified Command.

(1) Unit funds (NAFs) will be used for off-duty leisure activities that promote unit cohesion and are based on an annual per capita allocation per permanently assigned military person. Rates are published by FMWRC in the annual ALR program guidance found at www.armymwr.org, under Operations, Financial Management, Documents, Standard Operating Procedures, Army Level Requirement Standard Operating Procedures. Units may request NAF support from the responsible IMCOM Region, with a copy furnished the Unified Command. Elements within countries will not receive NAF from more than one MILDEP. NAFs are not used to support MWR programs that are authorized APFs.

(2) APF support will be the responsibility of the IMCOM Region designated in table 6–2. APFs will be the source of funding if MWR programs are nonexistent or not available from a nearby U.S. installation or host country. Authorization for APF support is at appendix D. The APF requirement is based on the below standards for MWR support.

f. Standards for MWR APF support

(1) *Physical fitness.* Military personnel will have access to fitness facilities, equipment, and programs, which support cardiovascular, endurance, flexibility, and strength conditioning to maintain fitness. When activities are not available at the assigned unit or duty station, access to physical conditioning alternatives will include the use of a nearby U.S. military installation or host country fitness facility within the surrounding civilian community. If other U.S. installations are not available and an agreement is not feasible on a “no fee” basis for use of host country facilities, membership will be authorized from APF in the name of the unit for all assigned military personnel.

(2) *Libraries.* Military personnel will have library support for such items as paperback book kits, magazine kits, and online periodical/newspaper services where internet capability exists.

- (a) The standard for paperback book kits varies by group size (see table 6–3).
- (b) The standard for magazine subscriptions varies by group size and titles are determined by customer surveys (see table 6–4).

Table 6–3
Paperback book kits

Group: 1–25 Titles: 10 per month
Group: 26–75 Titles: 25 per month
Group: 76 or more Titles: 40 or more per month

Table 6–4
Magazine subscriptions

Group: 1–50 Kits: 1 kit (1 copy each of 5 titles) per month
Group: 51 or more Kits: 2 kits (2 copies each of 5 titles) per month

(3) *Recreation.* Military personnel will have internet access to recreation information, tickets (for example airline tickets), and tours (for example, local tours and attractions). Military personnel will have access to movies for unit and personal viewing through video rental or checkout and theaters where available. Equipment for movie viewing is authorized from APF.

g. Armed Forces Radio and Television Service (AFRTS) issues digital satellite receiver decoders, to receive and unscramble the AFRTS signal, for use by authorized members at shared sites (Marine Corps houses, embassies with DOD staff, and deployed locations) for use in an office or a common-use area. Funding for the downlink, associated installation, and maintenance for circuit distribution will be the responsibility of the IMCOM Region supporting the geographic area in which the AFRTS system will be installed. If authorized members (active duty military and DOD civilian employees assigned overseas and their accompanying Family members) are not eligible to receive an AFRTS issued decoder, they may purchase a decoder that will provide access to AFRTS programming after gaining approval from the AFRTS (see DODD 5120.20). The IMCOM Region may provide APFs to purchase AFRTS equipment, which includes satellite dishes and decoders, for DOD military and civilian personnel on missions in foreign countries. This equipment is the property of the Federal Government and appropriate methods and policies regarding accountability of Government equipment apply (see chap 17).

Chapter 7 **Patronage**

7–1. Eligibility

- a. MWR programs will be established primarily for Armed Forces military personnel.
- b. Ready Reserve members have the same priority as AD military personnel. Gray area retirees (retired reservists under age 60) have the same priority as regular Army retirees for use of category C MWR programs only. Eligible Family members may participate in MWR programs whether or not accompanied by the sponsor. Family members and guests of first priority patrons assume the same priority.
- c. If MWR facilities cannot accommodate all authorized patrons, the garrison commander will determine specific use priorities. Such priorities are based on priorities establish in table 7–1.
- d. Guests must be accompanied by authorized patrons and may participate in MWR programs, purchase items incidental to participation, and consume food and beverages while on the premises. Guests include those participants at functions arranged by an authorized patron. Otherwise, guests are not authorized resale purchases. Garrison commanders (or designees) will approve local rules governing the number of guests and the frequency of use at specific facilities.
- e. DOD organizations stationed or tenanted on an Army installation will be afforded the same facility use privileges as those afforded personnel on the Army installation.

- f. Military club membership and reciprocal patronage of military clubs are outlined in chapter 8.
- g. Access to military exchanges and their programs (for example, package beverage stores) will be in accordance with AR 215-8.
- h. Patron eligibility criteria and priority of use are contained in table 7-1. For CYSS, eligibility is found in AR 60810.

Category	Unlimited	Category C
Active duty (AD) military personnel and Families (includes U.S. Coast Guard)	X	
Members of the RC and Families (includes Ready Reserve (to include Scholarship/Contract ROTC Cadets) and National Guard, and their Family members)	X	
Delayed Entry/Delayed Training recruits	X	
Cadets of Armed Forces academies (USMA cadets have first priority at USMA)	X	
Commissioned Corps of the Public Health Service and Commissioned Corps of National Oceanic and Atmospheric Administration and their Family members	X	
Retired military personnel from active duty and Family members. Retired from the Reserves with pay and retired without pay (gray area)	X	
Retired from the Reserves with pay and retired without pay (gray area)	X	
Veterans with 100% service-connected disability, honorably discharged ⁴	X	
Medal of Honor recipients ⁴	X	
Un-remarried surviving spouses (and Families) of military personnel who died while on AD or in retired status ⁴	X	
Un-remarried former spouses (and other Family members) who were married to the military member for at least 20 years while the military member was on AD	X	
Orphans of military members, when not adopted by new parents, under 21 years of age (or over if not capable of supporting themselves, or 23 years of age if they are in full-time study)	X	
U.S. DOD APF/NAF civilian employees (includes AAFES) and Coast Guard civilians and their Family members stationed outside the United States	X	
Local national or host country DOD civilian employees and Families at the discretion of the overseas commander, provided space is available and subject to host country agreements	X ¹	
U.S. Federal employees when assigned in areas outside the United States	X	
Medical personnel under contract to the Army during periods they are residing on the installation	X	
Military personnel of foreign nations and their Families when on orders from the U.S. Armed Forces, or in overseas areas when the overseas commander grants privileges in the best interest of the United States	X	
Paid members of the American Red Cross, United Service Organization, and other POs as authorized by DOD issuances, when assigned to U.S. Armed Forces outside the United States	X	
U.S. employees of firms under contract to DOD working on the installation, assigned outside the United States	X	
U.S. DOD APF/NAF civilian employees (includes AAFES) and Coast Guard civilians and retired DOD and Coast Guard civilians and their Family members	X ¹	
DOD contract personnel or technical representatives who work full time on the installation	X ¹	
ROTC cadets (other than those above) when participating in field training	X ¹	
Former POWs and spouses of current prisoners of war or service members missing in action and their Family members ⁴	X ¹	
Non-DOD Federal employees working on the installation	X ¹	
Foster children of military personnel, exchange students residing with Families of military per-	X ²	

**Table 7-1
Morale, welfare, and recreation patronage authorizations—Continued**

Category	Unlimited	Category C
sonnel who are their sponsors, and “au pairs” residing with Families of military personnel		
Individuals who have distinguished themselves in direct association with or in support of the Army (may include foreign nationals overseas) ⁴	X ¹	
Leaders within the 50 U.S. and the D.C. in the local community designated by the garrison commander and recertified annually. Applicable to OCONUS programs if Status of Forces Agreement or other international agreements or local laws do not prohibit, and the commander determines it is in the best interest of the command	X ¹	
Members of the general public at MWR infrequent events, at garrison commander’s discretion	X ^{1,3}	
Members of the general public within the 50 U.S. and the D.C. on a continuing basis subject to criteria below. Does not apply to MWR bingo programs. Approval required by the Secretary of the Army or as delegated at HQDA level. Documentation is submitted to FMWRC (IMWR-PO-P), 4700 King Street, Alexandria, VA 22302-4419. (Documentation will include detailed justification of how criteria below are met.)		X ^{1,3}

Notes:

¹ Based on local demand and capacity and at garrison commander discretion; purchase of food, beverages, and tobacco for on-premises consumption only; purchase of merchandise incidental to MWR participation. (APF and NAF personnel employed by MWR programs and their Family members may purchase resale merchandise and services, without restrictions, from MWR program resale operations (not exchanges)).

² Does not include child care facilities or military exchanges.

³ Subject to the following criteria: Adequacy of facilities and underutilized; written agreements from local Government officials, other appropriate community leaders indicating they have no objections to expanded use of military MWR programs, and there is no opposition from the local business or local Government community; beneficial to military members/civilians in the community; and no conflict exists as determined by the local SJA with Federal, State, or local laws, or as applicable, international agreements.

⁴ Club membership dues may or may not be charged, at garrison commander’s discretion.

7-2. Other users

a. Other individuals and local and State Governments may be given limited access under the following terms, in accordance with this and other applicable regulations:

(1) Persons hunting and fishing on Army property where authorized under terms of Cooperative Plan Agreements for Conservation and Development of Fish and Wildlife Resources and those using other outdoor recreation facilities and programs under terms of established cooperative agreements. See also paragraphs 8-25b(4), 8-25b(6), and 8-25j pertaining to public access to Government land and water resources and hunting and fishing, and Golden Age passports.

(2) Participants in or spectators at music and theater productions, sporting events, special events such as Volksmarches, and other MWR programs open to the local community to foster public relations, when their participation is an enhancement (see table 7-1, footnotes 1 and 3).

(3) Local and State Government use of categories A and B MWR programs with excess capacity under established memorandum of understanding (MOU) or partnership agreements. Such use must be mutually beneficial to both the garrison and the local community, in compliance with applicable law and regulations, and will not increase costs to the Army as a result of such use unless the agency/institution of the local or State Government subsidizes the additional costs.

b. Non-DOD groups will be authorized to use MWR facilities subject to the limitations set forth in DOD 5500.07-R, AR 210-22, AR 600-29, and this regulation. Routine MWR patronage (programs, facilities, or services) by members or potential members of non-DOD groups will be authorized only when the individuals qualify as authorized patrons.

c. Conflicts between this chapter and any agreement between the United States and foreign government will be resolved in favor of the agreement.

7-3. Identification

a. Garrison commanders will ensure patrons are identified as authorized patrons prior to using any MWR program. Proof of eligibility must be presented.

b. The common access card, issued to active duty military personnel, Selected Reserve, DOD civilian employees (both APF and NAF), and other eligible personnel, will be used for identification purposes.

c. AR 600-8-14 prescribes identification cards for retired military personnel; Family members; Reserve personnel other than the Selected Reserve; and others not authorized the common access card.

d. Identification of Delayed Entry/Delayed Training Program recruits will be by DD Form 4/1 and 4/2 or 4/3 (Enlistment or Reenlistment Agreement—Armed Forces of the United States) and a picture ID card.

e. DA Form 1602 (Civilian Identification) may be used as identification for retired DA civilian employees and Family members of current and retired DA civilian employees. Current and retired DA civilian employees may request issue of DA Form 1602.

f. Identification for exchange students and au pairs will be a locally developed card or the commander or designee may issue a limited duration letter of access (similar to letters issued for exchange service use by agents to purchase for eligible incapacitated patrons.)

g. A locally developed card or letter may be used to identify individuals or groups of individuals who are granted access to MWR facilities per table 7–1 and who are not eligible for identification cards prescribed above.

7–4. Misuse of program privilege

a. Patronage rules will be displayed at all MWR facilities.

b. Patronage privileges will be suspended, terminated, or denied if the garrison commander (or designee) determines it to be in the best interest of an MWR program, the garrison/installation, or the Army. The garrison commander has the authority and discretion to determine when and how such privileges will be affected. Abuses for which MWR privileges may be suspended or terminated by the garrison commander (or designee) may include, but are not limited to, the following:

(1) Using MWR facilities to make or repair items for personal gain.

(2) Distributing merchandise purchased at an MWR program to unauthorized persons, whether or not for a profit. (Using such items as gifts of a personal nature is permissible.)

(3) Personally profiting from the use of MWR merchandise or services.

(4) Stealing merchandise or other assets.

(5) Presenting bad checks intentionally or repeatedly and failing to make restitution on dishonored checks or other indebtedness owed an MWR program.

c. Investigative procedures into NAFI/entity losses or misuse of the MWR privilege are described in this regulation and are used to determine revocation of MWR privileges. The length of revocation or total denial of MWR privileges will be a local decision. Chapter 18 addresses investigations of NAF losses.

Chapter 8 Military Morale, Welfare, and Recreation Programs

Section I

Operations

8–1. General program operations

The mission of MWR is the common thread linking category A, B, and C programs, with the designation of the specific program into these categories based on the focus and level of service provided by the program. Basic programs focusing on well-being of the military service member are included in category A. Programs offering basic services for the military community are provided in category B. Programs normally paid for by the customers that add to the variety of services within the community are provided in category C. Listing of MWR programs by category is at figure 3–1 of this regulation. APF support authorized for each category is explained in chapter 5 and appendixes D and E of this regulation. Additionally, internet websites may be used to enhance, or as an extension of, a viable MWR program.

8–2. Combining programs

Complementary programs that provide basic support to military members (category A) and the military community (category B) may be located in the same outlet with programs that enhance these programs (category C). Resources required for efficient execution of these programs, such as activity management and facilities, should be based on the predominant attributes of the composite program.

8–3. Standards and controls

a. Garrisons must comply with AR 210-14 (The Army Installation Status Report Program) to evaluate the cost and quality of MWR support services provided at each Army base. Additional baseline standards for sports, recreation, and library programs are issued to HQ IMCOM by FMWRC directing garrisons to conduct assessments against these standards and submit results of the assessment to FMWRC. Qualitative data gathered from assessments is used to satisfy some

Installation Status Report data requirements. Additional program standards are found within this regulation and issued separately for specific programs.

b. Sales accountability, cash, key, inventory, and other controls are found at appendix G. Internal management controls are at appendix N.

8-4. Overseas operations

All operations overseas will be subject to SOFAs and other applicable international agreements.

Section II

Descriptions

8-5. Amusement/vending machines

a. Description. The term “amusement machine” as used in this chapter does not include slot machines or other mechanical, electrical, or electronic machines that enable players to receive monies. This section does not apply to any machines operated by ARMP (see para 8-8). For applicable Randolph-Sheppard (State-licensed operation) criteria, see AR 210-25.

b. Guidelines. Management controls for amusement and vending machine operations will focus on control of access to the machines/cash boxes and cash collection procedures, whether or not contractor owned or serviced. Controlled access and collection will apply when the garrison MWR operating entity receives a share of the revenue or the collection is done only with entity personnel. Where the entity receives a fee per machine, personnel will monitor machine locations and track contractor overall revenue and/or units sold. Under no circumstance will cash boxes or merchandise cabinets be emptied or serviced without an impartial observer.

c. Machine malfunctions. Customers will be reimbursed from the petty cash fund for losses due to inoperable machines.

d. Locking devices. Concessionaire-owned machines will have at least two locks: one to access the machine, and one NAFI-owned lock to access the cash box. The concessionaire may provide another locking device on the cash box so that both a NAFI key and a concessionaire key are required to open it. The following key controls will be written into the concessionaire contract:

(1) Keys will be controlled to restrict access to cash boxes and internal control devices.

(2) Keys will remain in the custody of the Director, FMWR or installation key control officer appointed in writing. Keys will be assigned to an impartial observer when required for cash collections or service calls by the concessionaire. The person responsible for key control will maintain an up-to-date key register.

e. Sales accountability. Analysis will be made to project amusement and vending machine receipts.

(1) One method is to use counter metering devices on cash collection boxes. Fund managers/entity administrators will require contractors to install coin counters.

(2) Another method is to inventory products placed in the machines at sales value. When machines are restocked, the value of the restocked merchandise at sales price will be equal to the expected cash receipts. Actual cash collection adjusted for refunds because of malfunctioning machines will be compared to expected receipts and any significant variances investigated.

(a) Cash collections will be made at least once each week, unless sales are anticipated to be less than \$50 per machine; for these lower sales, collections may be made twice a month. Collection figures will be furnished immediately after collections to the CAO prior to accounting close-out for the month.

(b) If additional collections are needed, the Director, FMWR determines the frequency based upon keeping accumulated receipts to a minimum; anticipated sales; risk factor for loss of receipts; insurance factor; collection costs in personnel and time; and interest earned on money deposited.

(3) The garrison commander or representative will appoint an impartial observer to sign for keys and participate in collections. The observer (or the fund/entity representative when collecting cash from NAFI-owned machines) will be briefed on procedures and accompanies concessionaire employees collecting cash from concessionaire-owned machines. The fund/entity representative will not need to accompany the concessionaire and impartial observer when both a NAFI lock and a concessionaire lock are on the coin boxes.

(4) The Director, FMWR (or designee) will maintain an inventory of NAFI-owned and concessionaire-owned machines and State-licensed operations (AR 210-25), to include the serial numbers and location of each machine. Records will be updated when machines are changed or rotated. Inventories will be confirmed by garrison operating MWR entity personnel on a random, periodic basis. A machine will never be removed, rotated, or substituted without approval or before a final cash collection is made. The cash collection team will always have a current inventory.

(5) DA Form 4083–R (Vending or Amusement Machine Collections) will be used to document cash collected in accordance with DFAS-IN 37-1 Regulation, Chapter 32.

(6) If the actual cash varies from the meter readings, the concessionaire and NAF/entity observer will check for mechanical malfunction or tampering. If this does not resolve the discrepancy, the disputes clause of the contract will govern.

(7) Receipts will be divided at the time of collection between the activity representative and the concessionaire, based upon the percentage established in the contract, or if based upon a flat fee, payments may be made by the concessionaire on a monthly basis.

(a) Machine inventory records will be the basis of payment—for example, \$X per machine, per month or more frequently, consistent with the collection schedule.

(b) Contracts may call for a review of the flat fee amounts as often as reasonable, until the number, type, and location of machines become static. Pro rata payments will be authorized for machine changes.

(c) Contractor furnished monthly revenue and/or units sold reports or other required documentation will be used to make future flat fee adjustments.

(d) A 100 percent verification of all machines, types, and locations will be made by NAFI/entity personnel at the beginning, end, or renewal of a contract.

8–6. Armed Forces entertainment

This program will provide free professional entertainment to Armed Forces personnel overseas (see AR 215–6).

8–7. Armed Forces Recreation Centers

a. Description of mission. The centrally managed, Army-operated AFRCs are joint service facilities. They provide quality, wholesome, affordable, Family-oriented vacation recreation opportunities to authorized patrons (including official travelers) of the total Defense force. AFRCs support readiness, retention, and well-being objectives. AFRCs employ best business practices to operate in a financially self-sufficient manner (funding operating expenses, debt service, and capital reinvestment requirements). The AFRCs are prepared to execute contingency support operations as directed by appropriate commanders.

b. Facilities.

(1) AFRCs include—

(a) Edelweiss Lodge and Resort, Garmisch, Germany.

(b) Hale Koa Hotel, Honolulu, Hawaii.

(c) Dragon Hill Lodge, Seoul, Korea.

(d) Shades of Green, Orlando, Florida.

(e) Cape Henry Inn and Beach Club, Fort Story, VA.

(2) To be designated as an AFRC, the facility must meet the following criteria:

(a) Be centrally managed and operated by the Department of the Army (FMWRC).

(b) Offer quality accommodations, standard to progressive food and beverage programs, full-service facilities, and recreation at affordable prices in a resort-type setting.

(c) Operate under the mission requirements contained in paragraph 8–7a.

(3) General managers of the above AFRCs are considered garrison commanders and fund managers (because AFRCs are individual NAFIs) for purposes of this regulation.

(4) AFRC facilities may provide a broad range of MWR programs and services similar to those provided on an installation. Individual programs and services operated by AFRC facilities will retain the appropriate MWR categorizations per this regulation and OSD policy (DODI 1015.10). Specific APF authorizations for the Edelweiss Lodge and Resort are provided in 10 USC 2491b.

c. Guidelines. In addition to the general policy governing the administration and management of Army-operated AFRCs contained in this regulation, each Army-operated AFRC has its own operational guidelines issued periodically by FMWRC. Conflicts between AFRC operational guidance and this regulation will be resolved case by case in favor of AFRC guidance only when fully staffed as appropriate, legally reviewed, and approved by the ACSIM or other appropriate authority, as exceptions to this regulation.

(1) Use of AFRC facilities for conferences, temporary duty lodging, and other official functions will be authorized only when official activities do not interfere with the assigned MWR mission.

(2) Expense accounts may be established for AFRCs in accordance with guidance issued by FMWRC.

(3) AFRCs may offer a full range of MWR programs, including lodging, food and beverage services, and entertainment and may have—

- (a) Resale activities, which may include alcoholic beverages by the drink, tobacco products in less than carton quantities, essential toilet articles, magazines and newspapers, and promotional and souvenir items.
- (b) Contracted entertainment and concessionaire services in accordance with AR 215–4 and this regulation.
- (c) Check cashing and currency conversion services to authorized patrons.
- (d) Credit to registered guests, payable in full prior to checkout or through commercial credit card services.
- (e) Recreational equipment operations, including vending and amusement machines, using equipment purchased or leased.

8–8. Army Recreation Machine Program

a. Description. The ARMP consists of ARMP-operated gaming and amusement machines, internet-based entertainment; wireless cafes; and related services and support. ARMP is based on centralized policy, management, administration, operation, and control at the Department of the Army level (FMWRC). The general manager of the ARMP is considered a garrison commander and fund manager (because ARMP is a central separate NAFI) for the purposes of this regulation.

b. Command support. The installation is required to provide command support, market data, facility locations for gaming and amusement machines and internet placement, office space, staff support, phone lines, mail support, and other logistical support required for operation.

c. ARMP SOPs. SOPs governing ARMP operations will be developed and published by ARMP and will be binding on all ARMP employees and program participants.

d. Gaming machines. Gaming machines include slot machines and electronic gaming devices that provide a payout to players based on chance and not skill. Direction and management supervision of all Army gaming machine operations is vested in the ARMP, a FMWRC element.

(1) *Installation.* Gaming machines may be installed and operated in overseas Army MWR programs in accordance with this regulation. They may be installed and operated in non-Army (AAFES, other services) operations, as agreed to by MOA between ARMP and the requesting program, unless prohibited by local laws, SOFAs, and other local agreements.

(2) *Prohibited facilities.* Gaming machines are prohibited in CYSS facilities and cannot be operated on Federal property in the United States and U.S. Territories and Possessions.

(3) *Payout.* Not less than an average of 93 percent of machine play will be returned to patrons as payout. The Army NAFI will retain 10 percent of the net drop (after automated cash machine fills, malfunctions, machine directed payouts, reportable jackpots) at the time of the cash collection to offset MWR program operating expenses unless specified differently by MOA. This will be treated as revenue by the NAFI where the machines are located. Amount retained at the time of the drop for non-Army MWR programs will be governed by the applicable MOA.

(4) *Gaming machine authorized and not authorized players.* Gaming machine players include adult patrons and bona fide guests of the MWR program. Those not authorized to play include—

(a) Local or third-country nationals when prohibited by local laws, unless otherwise permitted by SOFA or other agreements.

(b) Persons under 18 years of age, except active duty military, unless prohibited by local laws, SOFA agreements, and other local agreements.

(c) ARMP employees and their immediate Families.

(d) MWR program managers, management employees, and their Families in the facility where employed, where sponsor is employed, or in a facility managed/supervised by an individual (for example, the Director, FMWR in MWR facilities).

(e) Non-managerial MWR program employees and their Families in the facility where employed.

(f) Others prohibited by the IMCOM Region, garrison commander, or representative.

(5) *Gaming machine payout claims.* For any machine condition that requires the MWR program to pay money due a patron such as a machine directed payout, a short payout due to machine malfunction, acceptance of a patron's coin or currency without permitting play, or any other conditions where payment is due a patron, the MWR program representative will verify the patron's claim, document the machine condition, and reimburse the patron from the MWR program's gaming machine change fund (other MWR program operating funds are not used to reimburse patrons) in accordance with ARMP SOP. Properly completed patron payment documents will be retained by the MWR program as part of the MWR program's machine change fund records and reimbursed by ARMP during subsequent cash collections. Incomplete or incorrect payment documentation will not be reimbursed by ARMP.

(6) *Control keys.* The use of multiple keys to access machines with exposed funds or access compartments within machines containing funds is an integral part of the ARMP internal control system. The multiple key/participant process is primary factor in safeguarding funds and limiting the possibility of waste, fraud, and abuse. It will be used at all times

when stands or machines with exposed funds or compartments within machines containing funds are entered. All participants must be briefed before reporting for duty, including review of the ARMP SOP and applicable parts of appendix G of this regulation. The responsible commander (or designee) will designate a key control custodian. Key control procedures will be strictly enforced at all levels. Unused keys will be locked in secured key containers and signed for on a key control register when issued. Keys will not be kept overnight by individuals except with written approval from the GM, ARMP. The following keys will be used:

(a) The MWR program machine door key used during machine maintenance will open one of two locks located on the machine door. Cashless machines without coin hoppers will not require an MWR key.

(b) The ARMP machine door key will be used to open the machine door. Both an ARMP and MWR key will be required for opening machines with coin hoppers containing coins. Both keys will be operated at the same time.

(c) The command or MWR stand door key used during coin cash collection will open one of the two locks located on the stand door.

(d) The ARMP stand door key, the second key needed to open the stand door, will be used simultaneously with the command stand door key during coin cash collection to open the door.

(e) The ARMP coin drop box key will be used to remove the coin drop box from the stand and to open the box after it is taken out of the stand.

(f) Any machine box or container used to store accepted currency will have two locks installed. ARMP will maintain control of the one of the two locks and the MWR or command will maintain the other.

(g) Duplicate keys for the ARMP, an MWR program, or command will be secured and controlled separately from the working key used to support machine operations.

(7) *Lost keys.* Lost keys will be reported immediately to the ARMP field office. Proper authorities will conduct investigations of loss in accordance with chapter 18 of this regulation, and a copy of the final report will be forwarded to the ARMP. Machines may be shut down until locks are changed by the ARMP. MWR program representatives will witness the changing of locks. The MWR program will incur all costs, including labor, related to the replacement of locks or keys if the loss results from their negligence or poor key control.

(8) *Key inventory.* The ARMP must inventory all keys semi-annually. The ARMP will control hand receipts, and accountable parties will update hand receipts every 6 months. The local command will provide an independent inventory team every 2 years for a key inventory. Additional inventories will be conducted by ARMP in accordance with SOPs.

(9) *Cash collection.* Cash will be collected by a cash collection team that includes, at a minimum, a representative from the activity and one from ARMP. (Under no circumstances will cash collections be conducted unless an ARMP representative and a location representative are present.)

(a) Based on volume of play, collection frequency will be adjusted at the discretion of the ARMP in coordination with the local commander. ARMP field office managers will establish and coordinate all collection schedules with MWR program managers and commanders who make facilities and representatives available.

(b) Keys will be issued to the collection team and will be secured and/or accounted for at all times. Both collection team members will record and verify meter readings unless an electronic data collection system is used. The team will observe and verify each machine coin and currency count. Coin and currency counts for each machine will be recorded and verified as prescribed by the ARMP SOP.

(c) Monies collected will be counted in a secure area out of the presence of patrons. Machine areas will be closed to patrons during collection by closing the room or roping off the area. If this is not possible, collections will be made during non-operating hours. For currency counts, the MWR representatives must provide a lockable secure area for counting currency, access by anyone other than the collection team is prohibited.

(10) *Cash deposits.* The following is required for cash deposits:

(a) The Machine Activity Report (MAR) (see ARMP SOP) for calculation of the cash collection and receipt of funds from the ARMP cash collector will be signed by the MWR location representative.

(b) The amount of deposit will be imprinted on sequentially numbered ARMP bank deposit slips with an inked stamp, and appropriate copies will be retained by the ARMP representative. Both collection team members will verify and initial the deposit slips.

(c) The MWR program must deposit ARMP funds no later than 1 working day after the collection.

(d) An armed guard escort will make deposits in excess of \$5,000 (see appendix G).

(e) In exceptional cases and as approved by the ARMP GM, ARMP staff may make bank deposits using procedures specified by ARMP Controller.

(11) *Documents.* All original collection and deposit documents will be forwarded to ARMP field office.

(12) *Keys.* All keys will be returned to the key control custodian prior to the end of each day.

(13) *Command representatives.* The local command will provide command representatives for periodic cash collection observations. Observations will be made at least once per quarter at selected locations. The local command will co-

ordinate with the local ARMP field office after the observations have been completed and communicate any issues identified during the cash collections to the ARMP field office manager.

(14) *Internal controls.* The ARMP will provide effective control and accountability of funds through its system of internal controls during the drop process and through subsequent independent analysis. The controls will include use of the two-party drop team to prevent theft, periodic unannounced FMWRC internal review observations of cash collections to ensure adherence to ARMP SOPs, and systematic reviews of each cash collection to reconcile cash and coin counts with documented meter readings. All variance exceptions to established parameters will be researched, evaluated, and reconciled. Additionally, where resources permit, regular rotation of cash collectors and technicians will be practiced.

(15) *Machine maintenance.* The ARMP field office will schedule machine maintenance and will coordinate the schedule with MWR programs. Maintenance is based on a route system; MWR program manager will ensure that facilities and facility representatives are available when maintenance is scheduled. The MWR program manager will notify ARMP personnel immediately when there are any existing or potential machine problems and when facility renovations, closures, or re-openings are decided upon.

(a) MWR program and ARMP representatives will be present at all times during any machine maintenance where the technician has direct access to machine funds. As required, if the MWR program representative cannot accompany the technician or is called away, machines will be locked and maintenance stopped until the MWR program representative returns.

(b) The ARMP technician will record meter readings, type of malfunction, and extent of repairs per the ARMP SOP.

(16) *Management controls.*

(a) ARMP accounting, cash collection, and maintenance functions will be segregated from those of other MWR programs.

(b) The FMWRC will provide a quality assurance/management review program to detect, deter, and prevent fraud, waste, and abuse. The assurance/management review program strengthens management and operational practices and ensures effective management controls.

e. *Amusement machines.* Amusement machines include video machines, pinball machines, crane machines, coin operated pool tables, dedicated simulators, CD jukeboxes, digital jukeboxes and such other machines that do not provide a payout. Amusement machine services include purchase of the latest industry amusement games, on-site management and maintenance, cash collections, internal controls, and shared revenues. The expense of operating the program will be borne by the ARMP. The ARMP may install and operate amusement machines in MWR programs (categories A, B, and C) at the request of the garrison commander. They may be installed and operated in non-Army (AAFES, other services) operations, as agreed to by MOA between FMWRC and the requesting program, unless prohibited by law. Participation in the Army's amusement machine operations will be authorized case by case by business-based analyses of an installation's vendor-operated amusement machine operations versus Army-operated amusement machine operation potential. All Army installations as well as other military services and the AAFES may participate.

f. *Internet-based entertainment; wireless cafes; and related services and support.* When pay per use unofficial internet services (for example barracks, internet services or wireless hot spot service) are to be provided, NAF contract procedures will be used. These services are authorized to utilize all recognized (TCP/IP) internet applications for unofficial purposes including but not limited to web browsing, web hosting, Voice over IP, unofficial e-mail, video mail and streaming audio/video. After prior coordination with the DOIM/frequency manager, access to DOIM wired infrastructure and frequency spectrum will be granted to MWR programs to support these nonofficial services, paid or free, when it does not conflict or inhibit other official U.S. Army functions. Access to commercial unlicensed frequencies is to be granted as long as there is no interference with official frequencies or uses and the equipment adheres to FCC regulations or similar local national specifications when installed. When requested by MWR, DOIM frequency managers will direct that other unofficial uses of these frequencies be terminated if it interferes with approved MWR implementation at the same frequency.

8-9. Arts and crafts

a. *Description.*

(1) The arts and crafts program offers educational, self-development activities that advance technical knowledge and skills and offer opportunities for creative growth. This is accomplished through individual participation in arts and crafts processes, to include fine arts, crafts, and industrial/vocational arts. Participants will develop manual dexterity, self-confidence, visual acuity, safety awareness, and knowledge/skills directly transferable to military occupational specialties (MOS).

(2) The Army Artist Program is sponsored by the Center of Military History in conjunction with installation arts and crafts directors. Specific functions of this program are detailed in AR 870-20.

b. *Guidelines.*

- (1) Arts and crafts community workshop core activities will be organized based on their relationship to raw materials, technical processes, the mastery of specialized techniques, and the use and handling of specific tools and equipment.
- (2) The arts and crafts program will offer opportunities to develop both mind and hand in the creation of objects for personal use and also the sense of self-fulfillment. Facilities will not be used, in any way, with the intent of personal profit or to support a private business or other non-Government organization.
- (3) Basic core activities detailed in program guidance issued by the FMWRC include—
 - (a) Drawing and painting.
 - (b) Photography.
 - (c) Woodworking and industrial arts.
 - (d) Art metal and jewelry.
 - (e) Pottery and ceramics.
 - (f) Fibers, decor, and special crafts.
 - (g) Sculpture and 3-D design.
- (4) A variety of structured programming methods will be used to stimulate self-help efforts, including—
 - (a) Formally scheduled classes. Instruction will be scheduled 2 or more months in advance and designed to interest groups of individuals.
 - (b) Individual instruction and assistance.
 - (c) Demonstrations at community fairs, festivals, and other special events to stimulate interest in new techniques, tools, and equipment and promote patronage.
 - (d) Group workshops/seminars of special interest.
 - (e) Contests to recognize individual talent/skills.
 - (f) Rotating exhibits of patron and recognized artists' work displayed in arts and crafts centers or other prominent locations.
 - (g) Specialty programs, craft fairs, festivals, art shows, and related tours/field trips to enhance community life.
 - (h) Self-directed, open shop use of equipment, tools and workspace, independent of professional staff instruction. (Supervisory personnel may be consulted only for advice or assistance.)
- (5) Installation health/safety precautions and practices will be adhered to as prescribed in installation and Army guidance; safety practices and environmental standards will be followed in accordance with installation and Army waste management policies.
 - (a) Staff instructors will monitor and enforce all health/safety regulations.
 - (b) Directors will serve as consultants to help select tools, materials, and activities that are compatible with participants' maturation level and sound health and safety practices.
 - (c) Youth under age 14 will be accompanied by a responsible adult, unless they are enrolled in a program designed specifically to meet their developmental level (motor skills and maturation rate).
 - (d) Youth age 16 and older will be authorized to use the woodworking shop independent of their sponsor with a valid DA Form 3031 (Arts and Crafts Center Safety and Equipment Qualification Card) (see para 8-9b(10)).
- (6) Support of Army medical, educational, environmental, Army Community Service programs, and other Army non-MWR functions will be authorized.
- (7) A Soldier representative of units may be appointed by the unit commander and trained to make trophies, picture frames, and other needs for their unit. Customary fees for materials are paid by the unit.
- (8) Normally, activities for youth will be different from and not compatible with activities for adults; specialized programs designed for youth will be conducted separately to accommodate developmental levels, motor skills, and maturation rates.
- (9) Craft mobiles equipped with craft materials, tools, and supplies will support field training areas and personnel at isolated or remote locations.
- (10) Before using power tools or other specialized equipment, patrons will demonstrate proficiency (proper and safe operation) to the satisfaction of the instructor or manager. A DA Form 3031 will be issued to the patron when proficiency is established and a record is kept at the center. Specialized work areas and equipment will be available only when qualified staff is present to enforce health/safety practices.
- (11) Specialized merchandise of supplies, component parts, and related materials needed for the fabrication, construction, or repair of personal projects may be sold.
- (12) Staff members will not accept payment, including payment of gratuities, for personal service or work done by staff members. Payments for goods and services will be paid only to the arts and crafts program.
- (13) Fees and user charges will be imposed for certain operational functions, including—
 - (a) Use of ceramic molds, ceramic firing, lockers, and specialized tools.
 - (b) Registration for workshops, classes, exhibits, competitions, crafts fairs/festivals, and other programmed events.

(c) Use of slide copiers, copy stands, lighting equipment, casting equipment, grinders, and planers.

(d) A percentage of sales from exhibitions of area artists' works.

(14) Category of users (civilian, military, Family members) by program functions used and hours of participation will be maintained routinely.

c. *Army contests.*

(1) Major Army contests, which are held annually, are described below. Contests will be conducted in accordance with FMWRC guidance. Eligible patrons will participate at installation, IMCOM Region, and Army levels. Installations that do not have access to an IMCOM Region level contest may forward winning entries directly to the Army level for interim level judging.

(a) The Arts and Crafts contest will encompass both fine art works and traditional crafts works and is judged in two groups: Group I is for novice or amateur participants (individuals whose art skills have not been gained in formal education leading to college credit or degree; and Group II is for accomplished or experienced participants (individuals who have gained art skills through formal courses leading to credit in college or art schools, or received awards in professional competitions). The U.S. Army Arts and Craft Contest Entry Form is available at local arts and crafts facilities or from FMWRC. Judging categories for two-dimensional art works will be drawings (pencil, brush, pen and ink, crayon, chalk, scratchboard); prints (etchings, lithographs, lino-cuts, wood block, silk screen); water base painting (acrylic, water color, gouache, tempera); oil base painting, and mixed media. Judging categories for three-dimensional crafts works are ceramics, wood, metals and jewelry, fibers (and textiles), glass, and mixed media.

(b) The All-Army Photography Contest encompasses three classes of work (black and white prints, color prints, and short films). Entries will be judged in two divisions (active duty Soldiers and other participants). Photo contest entry forms and technical rules are found in the FMWRC Photo Contest Guide, which is available at local arts and crafts facilities or through FMWRC.

(2) U.S. Government Bonds or award checks for Army level competition are as follows:

(a) First place, \$300.

(b) Second place, \$200.

(c) Third place, \$100.

8–10. Automotive skills

a. *Description.* The automotive skills program offers facilities, equipment, technical instruction, skilled assistance, and problem-solving services. Industrial/vocational experiences offer a self-help alternative to commercially available repair garages. Patrons can reduce their automobile repair costs through hands-on participation in mechanical processes and develop skills, which sustain morale, enhance self-development, and expand recreational opportunities. Performing incidental repairs and maintenance for a fee may be done as a resale operation of the automotive skills program. Such incidental repair services may be established on a space available basis and when it does not interfere with use of the skills program. If demand exists beyond incidental repair and maintenance, a separate category C automotive service garage may be established per guidance below.

b. *Guidelines.* Individuals have opportunities to repair, maintain, and replace parts on their personal vehicles and other machinery. Skilled and knowledgeable instructors will teach specialized techniques for using and handling specific tools and machines.

(1) Professional instructors will provide competent diagnostic and other technical assistance, instruction, tools, equipment, and guidance. Activities will be planned to stimulate new interests and progressively increase user competence for a range of participants from beginners to accomplished individuals. The variety of structured methods includes—

(a) Formal classes scheduled two or more months in advance, including both basic and advanced instruction to meet varied technical interests.

(b) Individual instruction and assistance in all automotive skills areas.

(c) Demonstrations at festivals and other community events to stimulate interest in new techniques, tools, and equipment, and to promote patronage.

(d) Workshops/seminars for patrons and staff, conducted by commercial vendors, offer special interest processes and skills development opportunities and promote learning of technical and detailed procedures.

(e) Self-directed individual use of basic shop equipment, tools, and workspace, independent of staff instruction or assistance.

(2) Staff instructors will monitor and enforce all health and safety regulations at all times and are available for assistance as needed. Shop managers will ensure that all patrons demonstrate proficiency in proper and safe use of equipment used. To ensure safety and security, a minimum of two employees will be within the building whenever the shop is open. Specialized equipment will be used only when qualified staff members are present to instruct and supervise users. DA

Form 3031-1 (Automotive Skills Shop Safety and Equipment Qualification Card) is required to operate specialized equipment.

- (3) Automotive skills centers will have four distinct functional work areas, at a minimum:
 - (a) A general repair area with a minimum of 55 percent of the bays equipped with installed vehicle lifts.
 - (b) A tool and equipment issue and control room with secured storage for hand and power tools, supplies, and materials.
 - (c) A room or area for machine tool and bench work space, separated from areas with movement of vehicles.
 - (d) A technical reference area where computers, fiche, and print material are used.
- (4) Administrative control areas will be centrally located in the facility or collocated in a manner having visual access to operational areas. Facility design suggestions will be included in Design Guide (DG) 1110-3-126.
- (5) The construction, repair, or maintenance of military equipment, GSA vehicles, and all other APF furnishings and vehicles, is prohibited.
- (6) Authorized use criteria include—
 - (a) Procedures established to ensure that owners accompany their vehicles at all times while the vehicle is in the facility.
 - (b) Use of facilities and installed shop equipment to repair and maintain NAF vehicles (which are garrison NAF property) only during nonpeak hours of operation. This will not interfere with self-help activities. All associated costs will be charged to the work center account of the MWR program to which the vehicle is assigned. The tasks of repair, maintenance, diagnosis, inspection, and modification will be done by personnel paid from garrison MWR operating entity accounts other than the automotive skills program accounts. Staff personnel may inspect and advise on the technical aspects of the work.
 - (c) A valid motor vehicle registration in the name of the user or a member of the immediate Family for vehicles or boats in the facility. As an exception, authorized users may inspect vehicles they contemplate purchasing and perform mechanical work on the vehicle to bring it up to inspection requirements. A written document must be presented to the automotive skills program manager or staff assistant indicating that the vehicle is being inspected for purchase and that the authorized user plans to perform mechanical work on the vehicle to bring it up to inspection authority standards. The authorized user and the owner of the automobile must sign the document. The automotive skills program will retain the document for 3 years.
 - (d) A responsible adult accompanying youth under age 14, unless the youth are enrolled in a program designed specifically to meet their developmental level (motor skills and maturation rate).
- (7) Retail sales may include related materials, supplies, and component parts needed for the fabrication, construction, or repair of personal projects and vehicles.
- (8) When classes do not interfere with the normal automotive skills programs, continuing education classes or similar skills developing programs may be offered for a fee to authorized patrons.
- (9) Staff members will not accept payment, including payment of gratuities, for personal service and repairs. Payments related to goods and services will be paid only to the automotive skills program. Fees and charges for technical services and shop use may be collected regardless of the status of the staff member performing the service. Examples of authorized fees and services include—
 - (a) Diagnostic services, engine analyzers, meters and computer information retrieval system.
 - (b) Registration for workshops, classes, exhibits, competitions, car shows, and other programmed events.
 - (c) Fees for the use of vehicle lifts, disc drum lathes, wheel balances, valve grinders, tire balances, wheel alignment equipment, spray booths, battery chargers, lockers; automobile storage lots; and welding equipment and other specialized machinery. Equipment listed as technical and/or safety restricted and optional (see fig 8-1) will not affect the application of a user fee nor will it control whether or not there are user fees for other equipment within the automotive skills center.
 - (d) General and specialized repair bays, car wash facilities, and vacuum equipment.
 - (e) Parking and storage of authorized POVs (see appendix G).
 - (f) Use of and purchase from OCONUS automotive skills stripping yards (not authorized in CONUS).
- (10) Automotive skills personnel may perform services only when all of the following conditions are met:
 - (a) Patron/user is within the automotive skills facility when and where service is performed.
 - (b) The service/process is approved by the garrison commander (or designee) as an authorized service and is listed on the fee chart displayed in the shop.
 - (c) The service/process is classified as technical and/or safety restrictive (see fig 8-1).
- (11) Those services that require “restricted equipment” (see fig 8-1) will be performed by only trained automotive skills personnel. The automotive skills manager may authorize specific patrons “hand on” operation of “optional restricted equipment” (fig 8-1). The manager may restrict use of the equipment identified in figure 8-1 to only automotive skill staff personnel as determined by the available equipment and the trained staff availability at the garrison.

(12) U.S. Forces retirees may be permitted to use automotive skills facilities to repair American automobiles at OCONUS locations, subject to special arrangement with host nation officials.

(13) Control and management of hazardous waste and other controlled materials will be in accordance with Army safety and waste management policies and locally prescribed procedures. These will apply to all categories of users as well as employees.

(14) Use or possession of alcoholic beverages or any controlled substances in or around the automotive skills facilities is prohibited. Anyone appearing to be under the influence of an intoxicant or to have impaired abilities will not be allowed to remain in the area.

(15) Neither facilities nor equipment will be used with intent for personal or commercial profit.

(16) Operating personnel will be provided means whereby users may identify them as staff.

(17) Labor and supplies used within a category B incidental services garage will be NAF-funded (resale or services). Equipment purchased with APFs may be used in resale of incidental services on an availability priority after use by the automotive skills program and where it is not cost effective to purchase a second piece of the same equipment.

(18) Category C automotive service garages may be established only after complying with the resale policy in chapter 12 and in accordance with table D-1, where there is a market demand and an assessment confirms viability. Additional operational guidance will be issued by FMWRC.

Restricted equipment

- Air conditioning system testing gauges, evaluation, charging, and refrigerant reclaiming equipment
- Alternator tester, bench mounted
- Certification and inspection for safety and emissions in locations where the State recognizes the certificates and has authorized the automotive skills personnel to be State inspectors
- Auto body frame straightening and pulling hydraulic power equipment, body, member and unitized attachments
- Turning lathe, for brake drums and rotor discs
- Chassis dynamometer
- Computer diagnostic analyzer/center
- Fuel injector cleaning equipment
- Liquid petroleum/propane gas dispensing equipment
- Exhaust pipe bending equipment
- Wheel alignment and adjustment equipment
- Towing/wrecker equipment
- Milling, lathe, and precision grinding equipment
- Caustic hot tank cleaners
- Anti-freeze and refrigerant recycling equipment
- Other equipment used by shop staff associated with program management and security

Optional restricted equipment

- Radiator repair/re-core/patch/re-solder
- Bearing press/ball-joint remover
- Spray paint information and application
- Coil spring compressor/split rim cage use
- Acetylene welding/cutting/equipment
- Electrical welding and plasma cutting equipment
- Hand-held diagnostic meters, analyzers, and testers

Figure 8–1. Technical and safety restricted equipment

8–11. Better Opportunities for Single Soldiers

a. The BOSS program is a QOL program that addresses single Soldier QOL issues and initiatives. BOSS provides a vehicle through which single Soldier QOL concerns are identified and recommendations for improvement are made. This vehicle is a means to assess the interests and needs of the single Soldier. The BOSS program provides an opportunity for single Soldiers to participate in and contribute to their respective communities. It is an avenue for military and civilian leaders to gauge and enhance the morale of single Soldiers, which leads to retention and combat readiness.

b. The BOSS program enables Soldiers to identify and develop activities to meet their recreation and leisure needs and provides opportunities for active duty Soldiers, with emphasis on the single (and unaccompanied) Soldier, to participate in physical, self-development, leisure, and educational activities.

c. Objectives of the BOSS program include--

- (1) Improve the QOL through the identification, improvement, and resolution of concerns and issues.
- (2) Provide an opportunity to participate in and contribute to their communities (military and local civilian).
- (3) Enhance morale, leading to retention and combat readiness.
- (4) Maintain standards of conduct, good order, and discipline.
- (5) Identify recreation and leisure activities of interest to the single Soldier.

d. The core components of the BOSS program are QOL, community service, and recreation and leisure.

(1) *Quality of Life*. This includes those aspects of life that Soldiers can directly or indirectly influence to enhance their morale, living environment, or personal growth and development. Quality of life areas include those that provide an immediate impact to Soldier concerns, such as barracks, dining facilities, operating hours of various garrison facilities, work orders, etc. Issues or concerns are introduced or raised at BOSS council meetings and are directed to the appropriate garrison command or staff agency for resolution or to the Army Family Action Plan (AFAP) coordinator for entry into the garrison AFAP conference. If an issue cannot be resolved at the garrison level, it will be coordinated with the AFAP office for format, content, and prioritization, and then forwarded to the IMCOM Region AFAP office for review and elevation to the appropriate command or staff agency. DA Form 7380 (Installation Quality of Life Issue) will be used to document a QOL issue at the garrison level. It will not be used below the garrison level. Partnering with other programs that promote an improved QOL, such as AFAP, Equal Opportunity Office, Army Substance Abuse Program, Army Community Service, and Sports programs, is encouraged.

(2) *Recreation and Leisure*. This encompasses those activities and events that refresh the body or mind and are structured to fit the lifestyle of the single Soldier. The BOSS program will ensure any activities are in keeping with the finest traditions of the U.S. Army. Soldiers will solicit ideas for such activities and events from single Soldiers within their units and share those ideas at BOSS council meetings. The BOSS council will ensure they meet the needs and desires of the single Soldier, review the amount of planning, time, and logistical costs required to support the activity are taken into account; and that all single Soldiers are provided an opportunity to participate in the planned activity/event. A legal review will be conducted, where applicable.

(3) *Community service*. This includes a service, activity, or project that makes a difference in the lives of others in the community, which may include both the military and the civilian communities. Community service is voluntary in nature. Volunteers for community service will adhere to the guidelines in AR 608-1, chapter 5, on the Army Volunteer Program. A risk assessment will be conducted by the BOSS program and sent through appropriate channels for approval. Community service allows single Soldiers to become involved in their community; provides an opportunity to gain experience, skills, a sense of pride, personal achievement, and ownership in their community; and may provide a means for the garrison to save resources by utilizing BOSS volunteers. When selecting a community service project—

(a) The BOSS committee should discuss what type of projects the BOSS committee would like to become involved with and who those projects would benefit; for example, promote mentorship programs to help disadvantaged youth in the area.

(b) The BOSS committee should discuss the amount of planning, length of time, and logistical costs required to support the project.

(c) Volunteer BOSS members will avoid participation in community service programs and projects which confer preferential treatment or official endorsement of non-Federal entities in violation of the Joint Ethics Regulation. The BOSS committee will seek legal advice before engaging in activities in support of non-Federal organizations or voluntary service that occurs off the garrison.

e. A BOSS committee will be established at each garrison to furnish Soldier input to the garrison commander, who uses committee recommendations as the basis for improving single Soldier MWR programs and enhancing Soldier QOL.

(1) The BOSS committee will consist of single or unaccompanied Soldiers representing individual units. The elected executive committee members of the BOSS committee will be approved and supported by the garrison command sergeant major. BOSS committee members will participate in a BOSS training program, will be able to attend meetings frequently, and will be given an opportunity to brief the chain of command. Each committee will develop its own standard operating procedures (SOP).

(2) In addition to recreation and other MWR issues, committees will address all aspects of Soldier QOL issues. Committees will address internal and external MWR issues requiring chain of command involvement. The committee will identify issues and request action through the appropriate channels in their resolution. Issues that cannot be resolved at the garrison level will be submitted to the garrison AFAP coordinator, who will ensure that the issues are addressed through the garrison AFAP conference process.

(3) The garrison MWR advisor will be an MWR recreational professional. MWR issues will be addressed by the MWR advisor, who assists the BOSS committee in directing all QOL issues to the chain of command and/or MWR, as applicable.

f. A variety of structured events, to include those planned and conducted by BOSS, may be offered within MWR facilities. The utilization of these facilities may include fees that can be charged to cover operating expenses. Fees or revenues from BOSS events will be deposited into the garrison MWR operating entity or NAFI of the appropriate IMCOM Region.

g. More specific information on the BOSS program will be issued separately by FMWRC as a DA Pamphlet identifying BOSS roles, responsibilities, and procedures.

8-12. Bingo

MWR programs may sponsor or conduct bingo games for entertainment and to raise funds for the sponsoring NAF/entity, subject to the following:

a. Legal review. Bingo operations will be reviewed in advance by the SJA for legal sufficiency. Operations in CONUS will conform to State and local requirements, unless conducted on an installation under exclusive Federal jurisdiction. Overseas, international agreements will apply.

b. Prohibitions.

(1) Contractor-operated bingo programs (contractor control, sale of bingo cards, awards of bingo prizes) are prohibited. This will not preclude the MWR program from contracting for bingo-related services (bingo "callers") on a fixed-price basis.

(2) Pull-tab bingo is prohibited.

c. Participation. Participation will be limited to authorized MWR patrons and bona fide guests, within the following parameters:

(1) Volunteers serving as callers or monitors, MWR managers, the Director, FMWR, direct-line supervisors, employees working the bingo activity, and their immediate Family members may not play. Employees who are not working directly in the bingo activity, but who are otherwise employed by the sponsoring MWR program may play bingo.

(2) Garrison commanders may impose additional local restrictions as considered appropriate.

(3) Employees assigned to one or more MWR programs may participate in bingo sponsored by an unrelated program if they are otherwise eligible.

(4) Members of the general public authorized to use an MWR facility in accordance with notes 1 and 3 of table 7-1 will not be authorized to participate in MWR bingo.

d. Prizes.

(1) Bingo prizes may consist of cash or merchandise. The annual value of bingo prizes will not exceed 90 percent of the sponsoring program's projected annual income. In no case will individual game jackpots exceed \$100,000 in any combination of cash and merchandise. Other expenses will be limited to not more than 10 percent of income. At a minimum, bingo operations will break even. Accounting procedures, to include accrual of bingo prizes, are in DFAS-IN 37-1 Regulation, Chapter 32.

(2) Cash prizes will be paid from a bingo cash prize fund. The Director, FMWR will determine the size of the fund. Cash prizes for a single game totaling more than \$2,500 will be awarded by check, or by combination of cash and check (cash payment is limited to \$2,500).

(3) When there is more than one winner of a single prize, cash will be divided equally among winners and award of merchandise prizes will be determined by coin toss.

(4) Only personnel employed by or assigned to the sponsoring MWR program may control and award bingo prizes or sell bingo cards.

(5) Prizes will be procured in accordance with NAF purchasing procedures.

(6) The following guidelines govern verification and distribution of prizes:

(a) Winners will present their winning card(s) for verification. Winners will sign their name and provide their social security number (SSN) or alternate identifying number (for example, tax exempt number) on the Bingo Activity Sheet when the amount of the winning for a single game is above the IRS reporting limit. Identifying information other than the SSN may be required when the amount of the winning card is under the IRS reporting limit.

(b) The above subparagraph also applies in the case of paper bingo cards. In addition to the identifying information, each winner will write and sign their name and the dollar amount or description of the prize won on the back of the paper card. Other identifying information may be required.

(c) Guests with winning cards will provide the sponsor's identifying information.

(d) All winning cards, after verification of the win, will be final and the bingo game will then be closed. Delayed claims of winning cards by bingo players will not be recognized.

(e) All verified winning cards will be turned in to the bingo payout cashier who verifies that the information above is listed, and checks that the amount or description of the prize is correct. Payout may occur after either floor verification or cashier verification. For cash prizes, the cash total of all winning cards will be reconciled with the bingo petty cash voucher and the Bingo Activity Ledger. The winning cards (or serial numbers from electronic cards) will be attached to the bingo petty cash voucher or other official document. *e. Advertising.* Advertisements and other bingo-related information will not be mailed through the U.S. mail unless bingo is authorized or not otherwise prohibited in the State where it is held.

e. Cash controls. Cash received during bingo programs will be controlled and accounted for as follows:

(1) All bingo cards, regardless of type, will be prenumbered and date stamped, except for throwaway or punch-out cards issued in numerical order.

(2) A two-part, prenumbered, color-coded theater ticket or guest check will be issued for each card sold. Procedures are—

(a) Tickets of a single color will be issued in numerical sequence for each bingo card sold. When cards are sold in multiples at a special price, a different ticket color will be used and issued in numerical sequence for each card sold. One portion of the ticket will be given to the patron with the other portion retained by the cashier.

(b) The serial number of each bingo card sold and the total sale amount will be recorded on each guest check. The original of the guest check will be retained by the cashier and a copy given to the patron.

(c) At the end of the bingo games, the MWR program manager, or a designated representative, will reconcile cash receipts, less cash payoffs and expenses, with the cash register tape and reconcile the tape with the number of tickets or guest checks issued. Discrepancies will be noted and explained in writing, after which the Bingo Activity Report will be prepared in accordance with DFAS-IN 37-1 Regulation, Chapter 32.

f. *PO operated bingo.* POs may conduct bingo games in MWR facilities under provisions of DOD 5500.07–R. When so authorized, the organization will operate the games, including card sales, cash control, and prizes. The MWR program bingo caller may call games, subject to reimbursement by the PO to the MWR program. POs will adhere to management controls applicable to bingo operated by the MWR programs.

8–13. Bowling

a. *Description.* Bowling center activities may include bowling leagues, open bowling, tournaments, instructional programs, exhibitions, youth services-sponsored events, locker rentals, and child care services for bowling center patrons in accordance with AR 608–10. Pro shops and other bowling-related resale services may be established based on market demand. This includes food and beverage service, alcoholic beverages, ball drilling, amusement machines, and billiards, and so on.

b. Guidelines.

(1) United States Bowling Congress (USBC) certification specifications and standards cover the following:

(a) Bowling lanes, automatic pin setting machines and related equipment will be installed, repaired, and maintained in accordance with the USBC certification specifications and standards.

(b) USBC sanctioned leagues and tournaments will conform to the rules and regulations.

(2) Bowling groups or clubs that do not wish to have sanctioned leagues and tournaments will not be required to do so. However, non-USBC sanctioned leagues or tournaments may not use any of the products or services offered by the USBC to leagues, tournaments, or the bowling center.

(3) A record of pinsetter readings for each lane will be maintained. Lines will be accounted for as bowled, promotion, warmup, mechanical failure or testing, or walk-a-ways (left without paying). Lines bowled and paid will be reconciled to lines bowled and cash received. A record of lines bowled will be kept by open, league, tournament, and other play. A record of league lines bowled will be kept by adult, senior, junior, and other. Records of lines lost because of mechanical failure or testing will be kept by the pinsetter repairers. Any differences are explained.

(4) Installation bowling centers holding membership in recognized bowling associations may host leagues/tournaments sponsored by these associations, if league/tournament locations rotate among other area civilian facilities. At no time may an Army bowling center solicit a non-DOD league or tournament.

(5) Bowling managers may have monthly expense accounts to assess market trends in the bowling industry. Policy outlined in paragraph 8–24 for military club managers' personal expense accounts will apply to bowling managers.

(6) At the discretion of the garrison commander (or designee), the Director, FMWR and the Community Operations Division (COD) chief or equivalent counterparts, bowling center manager, and their full-time assistants may be exempt from paying open bowling lane fees. This exemption will apply to official use only and not to personal use.

(7) Bowling management will be trained as outlined in the Army Civilian Training, Education and Development System (ACTEDS) for Career Field 51.

8–14. Casino games

Casino games played at Monte Carlo or Las Vegas events are conducted by MWR programs for authorized patrons and their guests, subject to the following:

a. Plans for casino events will be reviewed in advance by the SJA for legal sufficiency. Casino games conducted in CONUS will conform to State and local requirements, unless conducted on installations under exclusive Federal jurisdiction. The use of slot machines (mechanical, electronic, or video), roulette wheels, and other gambling devices (see 15 USC 1171 et seq) are prohibited in CONUS. Overseas, international agreements apply.

b. Only play money or chits will be authorized for use as bets; there is no use of legal currency. After play money or chits are purchased by patrons, they may not be exchanged for legal currency. Legal tender or chits may be used to purchase food, beverage, and other items sold at the event.

c. Employees of the sponsoring MWR program, their Families, and volunteers assisting in the games may not take part in any game or accept any prize.

d. An MWR program may conduct up to four casino events a year. Overseas IMCOM Regions may establish higher limits as necessary to meet customer demands. POs, when authorized under the provisions of DOD 5500.07–R and AR 210–22, may conduct one casino event a year. When a PO sponsors a casino event, it will repay the host MWR program for all expenses; the organization retains only earnings, less the amount to cover MWR expenses. If the MWR program operates food and beverage sales, then the MWR program will retain all income from such sales.

e. Reputable and experienced persons conducting casino games may be contracted by the servicing contracting office for the MWR program or employed as authorized by AR 215–3.

f. At the end of the games, prizes will be awarded to players with the most and fewest winnings or an auction is conducted, permitting players to bid their winning chits or play money on items purchased specifically for the event. The cost of prizes will not exceed 90 percent of ticket sales after operating expenses are deducted.

g. Casino games will not be publicized through the mail.

8–15. Child, Youth, and School Services

a. Description.

(1) Child, Youth, and School Services (CYSS) is a “seamless delivery” system consisting of four services: Child Development Services (CDS); School Age Services (SAS), Youth Services (YS), and CYSS Liaison, Education, and Outreach Services (CLEOS). Each service has associated programs. For CDS, these programs are CDCs and FCC homes. For SAS, these programs are School-Age Centers and Camps. For YS, these programs are: Youth Centers/Teen Centers and CYSS Sports and Fitness (S&F). For CLEOS, these programs are Youth Education Support and Outreach. These programs operate in accordance with PL 104–106, Section 568 (Military Child Care Act); PL 106–65, Section. 584; and AR 608–10, in addition to this regulation.

(2) The CYSS organizational structure’s “seamless delivery” system will be implemented at the installation level to include CDS, SAS, YS, and CLEOS. The CYSS will be managed under a single CYSS coordinator, who will ensure the most efficient and effective use of CYSS financial, capital, and personnel resources by leveraging and sharing facilities/fields, equipment, staff, funding, transportation, and program materials. The “seamless delivery” system ensures that all CYSS program staff work under the same pay structure, training, and performance standards regardless of individual program; the staff works across CYSS program areas; procedures and policies are coordinated across CYSS program areas; staff meetings and training opportunities are offered across CYSS; and CYSS staff communicates and plans child/youth transition from one program setting to another.

(3) In order to ensure continuity and predictability of services to CYSS patrons Armywide, it is essential that parents provide child/youth SSN as part of the CYSS registration/reregistration process. The Army requires all CYSS patron records to include the child/youth SSN in connection with the implementation of the automated Child and Youth Management System.

b. Child Development Services. For additional requirements pertaining to Child Development Services (CDC) and FCC programs, see AR 608–10 and the current procedural guidance issued by FMWRC (IMWR–CYSS). Certain regulatory requirements for outreach care within CLEOS programs (formerly known as Supplemental Programs and Services) are addressed in AR 608–10, as well as in the section noted below.

c. School Age Services. School Age Services (SAS) programs are directed to school age children (generally ages 6 to 10 years or in grades one through six (or five, depending on local elementary school configuration). School-age children will be enrolled in the SAS program during parental duty hours and will not be in self-care during weekday, school-out, vacation and/or summer out-of-school time. Until such time as integrated into this section, see current program guidance issued by FMWRC (IMWR–CYSS).

d. Child, Youth, and School Services Liaison, Education, and Outreach Services. The Child, Youth, and School Services Liaison, Education, and Outreach Services (CLEOS) encompasses both Youth Education Support (YES) and Outreach programs. Within YES, the program components consist of the CYSS School Liaison Officer, Youth Education Liaison, and CYSS Instructional Activities. Within Outreach, the program components consist of Parent Liaison, Community Liaison, Registration and Referral, and Outreach Care and Supervision Options. Until such time as integrated into this section, see current program guidance issued by FMWRC (IMWR–CYSS).

e. Youth Services.

(1) *Description.* Youth Services (YS) offers a range of positive activities for middle school youth and teens that promote healthy development and ease transition to adulthood. The YS includes Youth Centers supporting the Middle School/Teen (MS/T) Program (ages 11 to 18 years) and the S&F Program (ages 3 to 18 years). The YS programs encompass a variety of safe, supervised alternatives (weekdays during out of school hours, evenings, and weekends) that—

(a) Promote positive attitudes and reinforce Army core values.

- (b) Offer youth opportunities to build skills and feel competent in both competitive and noncompetitive situations.
 - (c) Empower youth to contribute to their community.
 - (d) Foster the development of life skills and avocations.
 - (e) Foster the development of technological aptitude and competence.
 - (f) Instill values associated with the pursuit of sports and recreational activities, particularly self-discipline, perseverance, and decision making.
 - (g) Enhance or reinforce educational learning opportunities for children and youth through individual and group activities.
 - (h) Foster the development of leadership, sportsmanship, and teamwork skills.
 - (i) Reduce the likelihood of situations (for example, home alone) and behaviors that put youth at risk.
 - (j) Provide a variety of opportunities for parental and command involvement.
 - (k) Minimize parental lost duty time related to youth misconduct.
- (2) *Scope and applicability.* The goal of YS is to raise the quality of baseline service delivery across the board and eliminate disparity gaps among child and youth programs. This service delivery includes MS/T programs and youth S&F programs, whenever offered as a part of or on behalf of installation CYSS.
- (3) *Operating requirements.*
- (a) Youth, regardless of age, who are in grades 1 through 12 and whose sponsors are eligible to use MWR programs may participate in YS programs. Garrison commanders are given the authority to permit child and youth from the civilian community to participate in Army-sponsored YS programs on a space available basis when it is in the best interests of the Army, the installation, and the community.
 - (b) For programming purposes, activities are organized to meet the “age appropriate” needs of the following groups or comparable local school grade breakouts: Grades one through three; four through five; six through nine; and ten through twelve.
 - (c) Youth programs that encourage flexibility and choice will be locally determined based on youth interests, Family needs, and community circumstances. Age-appropriate activities and support services are offered in four service delivery areas. Installations must show a balance of activities provided across the four service areas: Sports, Fitness, and Health Options; Life Skills, Citizenship, and Leadership Opportunities; Arts, Recreation, and Leisure Activities; and Mentoring, and Intervention, and Education Support Services (see table 8–1). Installation CYSS S&F program offers nine core program options and several locally determined “elective” options for children and youth ages 3 through 18 years (see table 8–2).

Table 8–1 Activities within the service areas	
School-age services	Middle school/teens
Sports, fitness, and health options	
*Individual/group sports and fitness activities	*Individual/group sports and fitness activities
Teams	Teams
Lessons	Lessons
Skill building clinics	Skill building clinics
Nutrition education	Nutrition counseling
Health services	Health services
“Pick up” sports	“Pick up” sports
Special Olympics	Special Olympics
Tournaments	Tournaments
Noncompetitive physical activities	Noncompetitive physical activities
Life skills, citizenship, and leadership opportunities	
*Pre-Teen Council	*Youth Council
*Youth sponsorship	*Youth sponsorship
*Community service	*Community service
*Workforce preparation	*Workforce preparation

**Table 8–1
Activities within the service areas—Continued**

School-age services	Middle school/teens
*Youth technology labs	*Youth technology labs
Ecology	Youth leadership forums
Civic experiences	Civic experiences
Life skill workshops and classes	Life skill workshops and classes
Character education	Character education
Youth organizations (4–H, Scouts, YMCA, and so on)	Youth organizations (BGCA, 4–H, Scouts, and so on)
	Youth entrepreneur “businesses”
	Youth exchange programs
Arts, recreation, and leisure activities	
*Self-directed activities (formerly open recreation)	*Self-directed activities (formerly open recreation)
Skill-building classes	Skill-building classes
Educational tours	Educational tours
Individual and group lessons	Individual and group lessons
Camping and “challenge” experiences	Specialty camps
Recreational trips	Recreational trips
Social events and clubs	Social events
Competitions	Competitions
Cultural Arts	Cultural arts
	Youth organizations (BGCA, 4–H, Scouts, YMCA, and so on)
	Snack bar/cyber cafes
Mentoring, intervention, and education support services	
*Homework centers	¹ Homework centers
Home alone skills	Home alone skills
Child/youth abuse protection	Child/youth abuse protection program
Mentor programs	Mentor programs
Tutoring	Tutoring
Conflict resolution training	Conflict resolution training
Peer mediation	Peer mediation
Health services	Health and counseling services
Parent and youth activities	Parent and youth support groups
Personal safety	Personal safety
Substance abuse prevention education	Substance abuse protection education
	Youth crime and violence protection
	Juvenile board

Notes:

¹ Indicates baseline program

**Table 8–2
Framework for youth sports and fitness programs**

Team sports	Individual sports
*Baseline activities (minimum of 2 additional locally selected baseline activities)	(Minimum of 3 locally selected activities)
*Soccer	Gymnastics
*Baseball/T-ball	Tennis
*Basketball	Martial arts
Softball	Golf
Hockey (ice and/or roller)	In-line skating
Swimming	Bowling
Bowling	Racquetball
Double Dutch	Track
Football (flag and/or tackle)	Wrestling
Lacrosse	Ice skating
Cheerleading	Swimming
Volleyball	Table tennis
Water polo	Skiing
Team handball	Archery
Fitness and health	Outreach
*Baseline activities (minimum of 1 additional locally selected baseline activity)	*Baseline activities (minimum of 1 additional locally selected baseline activity)
*Nutrition counseling/education	*Intramurals (SAS, MS/T)
*Health promotion classes/events	*Motor skill activities (CDC, FCC, SAS)
Aerobics	*Skill building clinics (SAS, MS/T, community)
Swimming laps	*MWR partnerships (for example, golf, bowling, WCAP)
Weightlifting	School partnerships
Biking	Community sports leagues
Fitness trails/challenge courses	"Pick-up" sports (youth and school age centers)
Hiking	Outdoor adventure experiences

(d) The establishment of a youth sponsorship program will be required at each military installation to facilitate the integration of youth of installation personnel into new surroundings when moving to that military installation as a result of a parent's PCS (PL 104–106).

(e) As a category B MWR program, APFs are authorized and will be used to the maximum extent available (see app D). The charging of annual registration and/or activity fees will be mandated to recoup NAF program expenses. The annual registration fee will be confirmed in conjunction with yearly publication by FMWRC of the CYSS Fee Guidance. The registration fee will be collected by CLEOS for all CYSS programs and these funds will be used to support all CYSS programs.

(4) *Staffing requirements.* Youth will be supervised at all times by a combination of paid YS employees and adult volunteers. A 1:15 paid-adult (employee/contractor) -to youth ratio will be required for before and after school, school-age care options, and MS/T and S&F programs, regardless of location. The following staffing requirements will apply to YS programs:

(a) A 1:15 paid-adult (employee/contractor) -to-youth ratio will staff program activities (excluding instructional classes, organized team sports, and occasional special events that involve parents or other adults as chaperones, for example at dances). Teen employees and volunteers may supplement, but not substitute for, adult employees.

(b) Youth team sports programs will follow the adult-to-youth ratios defined by the national governing body rules for each sport and may use volunteers to meet the ratios.

(c) Overnight camps will follow the American Camping Association adult-to-youth ratios and use adult employees/contractors to meet the ratios. Teen employees and volunteers may supplement, but not substitute for, adult employees.

(d) Adult employees/contractors will staff instructional classes according to professionally accepted practice, with additional consideration given to the ages and skill levels of the participants and the type of instruction being provided.

(e) A 1:15 adult (employee/contractor) -to-youth ratio will be used for special events (such as dances, lock-in), trips, and tours. Adult volunteers may supplement paid employees to meet a 1:8 adult-to-youth ratio.

(f) A minimum of a 1:10 adult (employee/contractor) -to-youth ratio will be maintained for all high-risk activities (that is, where greater than normal risk might result because of the unpredictable nature of the activity itself) in order to ensure the safety and well-being of participants. Lower ratios of 1:6 (more adults per youth participants) may be necessary and should be determined locally. High-risk activities include, but are not limited to, swimming, rappelling, white water rafting, and high rope activities.

(g) Personnel employed in administrative and support positions, such as Youth Center Director, School-Age Services Director, Training and Program Specialist, and clerical, maintenance, supply, and food service employees, will not be counted in determining staff supervision ratios.

(5) *Training.*

(a) Youth staff will be trained and competent to handle the age group to which they are assigned. All personnel will be trained according to an individual development plan, which outlines and documents required CYSS Foundation Training or CYSS transition training requirements. The CYSS foundation training individual development plans and CYSS transition training individual development plans will be the Child and Youth Personnel Pay Program official training records for all child and youth employees. Foundation training refers to the beginning or “baseline” training, normally completed during the first 18 months of employment. Transition training refers to training specifically designed to accommodate employees with background skills entering the CYSS system from outside the Army, completed during the first 12 months of employment.

(b) The Army has selected the National Alliance for Youth Sports (through its National Youth Sports Coaches Association (NYSCA)) as the certifying organization for Army Youth S&F programs. Each installation CYSS S&F program will become a sanctioned NYSCA chapter, authorized to provide training in order to fulfill all requirements for NYSCA certification of coaches. Individuals who serve as Army Youth S&F coaches must complete all requirements to obtain and maintain NYSCA certification.

(6) *Staff responsibilities.*

(a) All youth programs will be professionally managed (that is, at least a director or an assistant director must be available) during operating hours, regardless of the location. At least one professional staff person will be available to provide immediate support to subordinate staff at all times. Minimum staffing will be two, even if 15 or fewer children are in attendance.

(b) All staff members, contract instructors, and regularly scheduled volunteers will be screened in accordance with AR 215–3, AR 608–10, and the latest FMWRC guidance.

(c) Staff, conditionally appointed, will be subject to completion of local pre-employment background checks, and line of sight supervision (LOSS) must be in place. The use of video monitoring equipment in youth occupied areas monitored by a cleared employee also will satisfy the LOSS requirement. Permanent employment will be contingent on favorable Criminal Investigation Division (CID), National Agency Check, or National Agency Check with Written Inquiries, and State Criminal History Repository inquiries.

(d) Staff will ensure that risk management procedures including LOSS, accountability mechanisms, and child abuse prevention practices are in place to protect the health, safety, and well-being of youth at all times.

(e) Youth staff (management and direct services employees) work schedules will reflect the prime operating hours of the installation youth program, including the youth center. Such time periods will include after school, evenings, and weekends during the school year, and during the workday in summer, vacation, and holiday periods.

(7) *Staff outreach.*

(a) Youth staff will participate in relevant installation/community groups such as the Human Resource Council, Family Advocacy Case Review Committee, Mayoral Program, Juvenile Case Management Team, Special Needs Resource Team, and Installation Volunteer Advisory Council.

(b) Organization and command membership in professional, trade, civic, and other such organizations will be authorized in accordance with chapter 5, this regulation, and AR 360–1.

(c) Youth sports personnel may participate in activities sponsored by local affiliates of national governing bodies listed in table 8–3. Contracting for officiating services is prescribed in paragraph 8–27.

(d) YS programs will form on and off post partnerships and collaborations with schools, MWR programs, Family support programs, chaplains, military police, and national youth organizations to deliver programs more effectively. YS will be an active member of the Boys and Girls Club of America, have 4-H Clubs, and implement programs promulgated by the National Alliance for Youth Sports. See chapter 7 pertaining to agreements with State and local governments and contact FMWRC (IMWR–CYSS) regarding MOUs with national youth organizations.

(8) *Activity locations.* Activities for youth may be conducted on or off post in youth centers, teen centers, MWR facilities, community and DOD Education Activity Schools, and MWR and religious education facilities through partnerships with MWR staff and chaplains. Activities will include the eight baseline programs noted in table 8–1 as well as S&F program activities listed in table 8–2. These baseline programs for youth establish predictability of services and promote youth development and include individual/group sports and fitness activities, self-directed leisure activities, homework centers, computer labs, youth sponsorship, workforce preparation, community service, and youth councils. Baseline programming and the youth S&F programs are the means for putting skills from the four service areas into practice.

(9) *Separate activities.* When a Youth Center includes both SAS and MS/T programs, activities for school-age children and middle school youth and teens will be generally conducted separately by—

(a) Scheduling different time blocks for each age group within the same facility.

(b) Designating specific areas for each of the age groups (school age, middle school and teens) within the Youth Center or other facility.

(c) Operating a stand-alone teen center.

(10) *Self-directed activities.* Self-directed activities (formerly open recreation) will be made available to the general youth population and as a program option of after-school programs for school-age children as well as middle school youth and teens.

(11) *CYSS Annual Report (RCS CSGPA 1731).* Each installation and separate military community that conducts any CYSS program will complete and submit a CYSS Annual Report consisting of the following topical elements: demographics, staffing, profile, food service, and an information paper. FMWRC will disseminate the report requirements to IMCOM Regions. Installations will complete the report and transmit it electronically through the IMCOM Region. It is due to FMWRC on or about 15 September (closeout date for data being 30 July).

(12) *SAS Annual Report (RCS CSGPA 1734).* CYSS staff is responsible for providing program data to the SAS coordinator to complete the SAS annual report.

(13) *Child, Youth, and School Services Program Review Board.* A CYSS Program Review Board may be established to address or make recommendations on situations and issues that include multiple proponents, or on CYSS operational issues (such as program eligibility) that can be broadly interpreted.

(14) *Compliance.* Programs must comply with applicable statutory requirements and DOD policies. Youth program procedural guidance issued by FMWRC (IMWR–CYSS) will supplement policy guidance contained herein and other regulations applicable to youth programs.

8–16. Community recreation center programs

a. Description. CRC programs and services support the overall MWR mission and are directly related to readiness by delivering individual and group activities during peacetime, mobilization, contingency, and wartime operations. Eligible participants include active duty and retired military, DOD civilians, and their Family members (see table 7–1 for a complete patronage breakdown). These programs will be planned by leisure service professionals and provide individual physical, mental, and social benefits.

b. Programs. CRC programs and services will offer a variety of customer-driven, staff-directed, and self-directed recreation programs. Programs will be delivered in the recreation center, community activity center, and other facilities or are nonfacility based. Customer-driven programs are activities identified by the user and include current recreation program trends.

c. Guidelines. Programs and services may include, but are not limited to—

(1) Instructional and skill development classes that teach new skills or develop existing skills.

(2) Special events such as exhibits, lectures, tours, festivals, plays, cultural exchange activities, and organization days.

(3) Competitions and tournaments.

(4) Special interest clubs and group meetings include examples such as gardening, photo, drama, computer, chess, and recreation clubs (excluded are military clubs discussed separately in this chapter and POs, which are governed by DOD 5500.07–R, DODI 1000.15, and AR 210–22).

(a) Clubs will be operated as part of the CRC program to include budgeting, procurement, and personnel administration.

(b) A club representative designated by the program manager may collect fees or charges for an event; however, any ongoing activity or facility operation that handles funds is staffed by a CRC employee.

(5) All property purchased or provided by the Government is Government property.

(6) Equipment checkout for on and off-premises use.

(7) Central point for information and referral for recreation opportunities.

d. *Construction.* CRC facilities will be constructed or modified to meet the interests and uniqueness of the community and will be located in high traffic areas. (Central locations on the installation where community service functions, troop billeting, the main exchange, and other MWR operations are found.) Facility interiors should reflect contemporary design trends.

(1) Guidance for redesigning or renovating existing structures as CACs is in DG-1110-3-142 and definitive plans issued by FMWRC. Guidance for designing Recreation Centers is in DG 1110-3-132.

(2) Facility construction must be developed as part of the MWR 5-year plan.

e. *Operating hours.* Operating hours will be established based on user leisure time and as determined by the installation.

f. *Fees and charges.* CRC programs and services may assess fees to supplement program cost. The following are examples of activities that could charge an appropriate fee:

(1) Instructional classes offered by a contract instructor.

(2) Special events.

(3) Contests and tournaments.

(4) Food and beverage snack bar operations.

(5) Services provided by the CRC staff to include support for private club meetings, receptions, retirements, and promotion parties.

(6) Equipment for off premises use.

(7) Special interest recreation clubs.

g. *Funding.* Programs and services that are delivered in a CAC will be funded according to the program category (category A, B, or C) and each program retains its own program code.

h. *Alcohol consumption.* See chapter 10.

i. *Reimbursement of volunteer incidental expenses.* See chapter 5.

j. *Unit recreation.* Unit recreation activities will be planned and conducted by unit personnel in unit areas. CRC personnel will assist units by—

(1) Coordinating recreation programs for the unit.

(2) Training military personnel designated by the unit commander as the unit A&R officer or NCO to assist in program development and delivery, and selecting and procuring supplies and equipment.

(3) Participating in mobilization planning and training.

k. *Contractor operations, concessionaire contracts, and other agreements.* To maintain, expand, or enhance MWR opportunities, these contracts or agreements may be used for, but are not limited to, operating on-post programs, resale concessions affiliated with established operations, offering special events, and instructor services.

l. *Agreements.* Written cooperative agreements for authorized MWR patrons and their Family members to use off post programs and facilities may be negotiated with local municipal recreation agencies to provide the most cost-effective program delivery. Off-post facilities and programs will be surveyed to determine suitability, accessibility, and affordability for patrons. For additional patronage information, see chapter 7.

m. *CRC tournaments and contests sponsored by FMWRC.*

(1) *General.*

(a) Rules for tournaments held at installations will be under the discretion of the installation facility program manager. United States Chess Federation (USCF) sanctioned tournaments must be conducted in accordance with the rules of the national governing body (USCF) or a like organization.

(b) Active duty Soldiers, including National Guard and Reserve Component Soldiers on active duty are eligible. Soldiers must have their responsible commander's approval.

(c) As sponsor, FMWRC will fund expenses of the host installation and participants' travel and per diem to the program. FMWRC will issue instructions annually covering all aspects of the program.

(2) *All-Army Chess Tournament.* The annual All-Army Chess Tournament is the entry level chess tournament for the U.S. Army and may lead to the participation in the Inter-service and NATO International competition. The tournament will be sanctioned by the USCF and players must be members and will receive a USCF rating following the competition.

(a) Participants must be U.S. active duty Soldiers, including Army National Guard and Army Reserve Component Soldiers on active duty, who have served 90 days or more. Each Soldier must complete DA Form 4878 (Army Chess Tournament Application) along with a memorandum of concurrence from their unit commander stating their eligibility

during tournament play dates. Also accepted will be online applications at www.armymwr.com under Community Recreation Centers.

(b) DA Form 4878 is found on the MWR website, www.armymwr.com, then click on the Recreation Center page. Fax to the number listed on the Web page or address to Commander, Family and Morale, Welfare and Recreation Command (IMWR-CR), 4700 King Street, Alexandria, VA 22302-4418.

8-17. Entertainment (performing arts)

a. Description. The entertainment program provides diverse, demand-driven activities such as, but not limited to, music, unit entertainment activities, special events, theater, the United States Army Soldier Show, the All-Army Soldier Showband (USA Express), and the Parade of American Music.

b. Guidelines.

(1) *General.*

(a) Activities will be supervised directly by an entertainment program manager, who is also the installation copyright control officer, and a staff of professional specialists.

(b) Potential revenue-generating activities may encompass a variety of events such as offering individual or group classes and workshops, which may result in a standalone music event or as a component of another event that assists the command MWR mission. Sources of revenue generated by the entertainment program may include ticket sales, fees and charges, corporate sponsorship, and locally initiated special events. Entertainment personnel will support revenue generation at other MWR programs by providing artistic, professional, logistical consultation, and support.

(c) Commercially produced music events may be used at any location, including field training areas, remote or distant locations.

(d) Permanent, dedicated rehearsal and performing areas will be required to facilitate activities.

(2) *Musical activities.*

(a) Musical activities organized for individuals or groups may include stage movement and dance, vocal and instrumental music, rehearsals, classes and jam sessions, which may result in public performances of variety shows, concerts, recitals, competitions, pageants, specialty acts, support to holiday events, unit organizational day, and similar types of activities.

(b) Copyright and royalty clearance policy in this chapter will be used for all music events.

(c) Music activities may be conducted in a variety of facilities and locations. Every effort will be made to ensure noise control and accountability of equipment, particularly when space is shared.

(d) Self-directed Soldier or other community bands will support entertainment and special event activities.

(e) Activities not operated in community complexes include—

1. Unit entertainment centers, designed to accommodate music and theater-type activities and events such as bands, variety shows, and competitions in troop housing areas not located close to community support complexes.

2. Show mobiles, designed and equipped to transport and present musical and theatrical productions in field training areas or other locations.

(3) *Special events.* Special events are large-scale activities for the entire community. Expertise in entertainer selection and logistical coordination of special events is an integral function of the entertainment program. Events include, but are not limited to—

(a) Major entertainment, such as large-scale concerts that showcase professional entertainers. They may be produced locally or by an independent production company.

(b) Local community carnivals, holiday festivals, patriotic celebrations, circuses, and major sporting events.

(c) Posting IMCOM Region and DA-sponsored events, which showcase talents of Army personnel. (Logistical requirements for DA-sponsored events are issued by FMWRC.) Army-sponsored events include—

1. The United States Army Soldier Show, a large-scale musical variety show that showcases talented Soldiers, tours throughout the world. Shows presented by Soldiers will be held at military and civilian locations. Installation entertainment program managers will coordinate logistical requirements.

2. The annual United States Army Battle of Bands competition, which is the culmination of efforts that promote the creation of Soldier bands. These bands may be nominated by respective IMCOM Regions to compete at the Army level.

3. The All-Army Soldier Showband and “USA EXPRESS,” selected from the Army’s Battle of Bands, which comprises active duty Soldiers, tours Army clubs. The Army entertainment program manager will be responsible for logistics.

(4) *Theater activities.*

(a) Theater activities provide entertainment produced locally or by means of contracted community or professional theater organizations.

(b) Theater activities include, but are not limited to, script reading groups, revues, thematic and variety shows, plays, musicals, festivals, dinner theater presentations, and theatrical competitions supported by instructional workshops on stage and backstage theatrical skills.

(c) Rehearsal, set construction, performance, and secured technical equipment storage space are required to ensure accountability of all production-related equipment. Facility designs may be based on DG 1110–3–120. Conversion and use of shared space may be done to ensure isolation from other activities and to prevent acoustical or functional interference with other operations.

(d) Theater activities may be conducted where food and beverage is offered as part of the event. Operational guidelines on dinner theater type operations are issued by the FMWRC.

(e) The scope and variety of theater events will be based on market demand and the availability of installation resources, corporate sponsorship, and revenue potential of activities, including admission fees.

(f) Army bands will not furnish theatrical musical support where admission fees are charged (see AR 220–90 and AR 360–1). Soldiers assigned to Army bands will not be prohibited from participating in activities as individuals in their off-duty time.

(g) Organizational memberships in recognized professional organizations for staff development are in accordance with chapter 5. If organizational memberships are required for entry into national level competitions, the garrison will budget for and fund membership fees for the organization and related expenses.

(5) *Copyright and royalty clearance.* Administration of copyright clearance and associated royalty and performance material fees and charges is the responsibility of the entertainment program manager or copyrights control officer designated by the Director, FMWR.

(a) A copyright clearance is obtained prior to any public performance of any work (including music, video, film, and original works) regardless of the type of facility or location, on or off the installation, or whether an admission fee is or is not charged. To perform or display a work “publicly,” according to 17 USC 101, means to perform at a place that is open to the public or at any place where a substantial number of persons outside the normal circle of Family and social acquaintances are gathered or to transmit or communicate to the public by means of any device or process. Once a work has been cleared for a specific date, there is no future use without a new clearance. Clearances are requested on DA Form 3238 (Request for Copyright Clearance on Musical or Dramatical Works).

(b) The FMWRC coordinates installation copyright clearance requests. This includes developing terms and conditions with each copyright owner or agent, acting as an intermediary between the installation and the owner or agent, and paying the established royalties and related fees.

(c) Commercial entertainment contracts will clearly state that the producer is responsible for obtaining all copyright clearances and paying all royalty, rents, and related fees unless otherwise specified. The entertainment program manager, or facility manager for performances conducted at any other installation facility, ensures that the producer holds all necessary clearances and licenses and that terms and conditions permit performance on the installation. Copies of all copyright clearances or licenses are forwarded no later than 8 weeks prior to the scheduled audition date to Army Entertainment, FMWRC (IMWR–SR–E), Copyrights and Clearance, P.O. Box 439, Fort Belvoir, VA 22060.

(d) The audio or video recording, filming, or duplication of electronic copyrighted works performed in Army facilities will require permission and granting of licenses by the copyright owners or agents, and may involve licensing fees or additional royalty payments. Policy governing copyright permission is provided as follows:

1. Recording or use of recordings of copyrighted works for publicity and similar uses may be authorized by the leasing agent. Permission is requested on the copyright clearance request and is received prior to use.

2. The videotaping, filming, or audio recording of a cleared performance, and the duplicating or copying of a copyrighted work and subsequent use will not be authorized without a license obtained from the appropriate agent. Permission is difficult to obtain and is not frequently granted. When permission is granted, it is generally subject to a substantial royalty and to restrictions regarding its use.

3. Copyrighted works or performances will not be filmed, videotaped, or recorded without appropriate permission or under the assumption that license will be granted. Videotaping a work for historical records may be authorized. The intent to video for historical records will be requested on DA Form 3238, as an attachment to section I, in the Rehearsal/Production Materials Requested section. This request also pertains to videotaping for publicity purposes.

4. A detailed request for permission to film, record, or duplicate copyrighted works must be forwarded to FMWRC at the address in paragraph 8–17b(5)(c) no later than 8 weeks prior to the audition date of the work that is proposed to be filmed, taped, or recorded. Requests must include all information that is pertinent to the request.

(e) Clearance procedures are explained in appendix H.

(f) Copyright restrictions exist. Numerous copyright owners occasionally make copyrighted works available to entertainment program activities at substantial discounts or on a royalty-free basis. Works obtained under noncommercial

utilization or on a royalty-free agreement may require a clearance. A work offered in the past as royalty-free may have changed status. A clearance will be submitted to FMWRC in all cases regardless of what one source may state.

1. Use of musical arrangements obtained from records or tapes of performances that charge direct or indirect admission fees will not be authorized without the appropriate copyright clearance.

2. Music obtained from royalty-free sources may be performed in dinner theaters, cabarets, and similar activities. However, a clearance will be submitted to ensure the royalty-free status is current. This pertains to such events whether an admission fee is charged or not.

3. Music used in performances for which admission is charged or that is performed by paid, professional entertainers in Army facilities or under Army sponsorship will not be procured or otherwise furnished by the Army on a royalty free or discounted basis. This provision also applies to unofficial activities of Army bands.

(6) *Parade of American Music competition.* Each February, the Parade of American Music is observed by a nationwide competition to support and encourage performance and the creation of original music works by American composers and musicians. Annually, the FMWRC issues entry information. DA Form 3680 (Parade of American Music Entry for Army Participants) will be used for performance entries; DA Form 3680-1 (Parade of American Music Entry for Army Composers) will be used for composer entries.

8-18. Entertainment, commercial

MWR programs may book professional entertainment that meets the standards of this regulation and the military community. Garrison commanders will take into account the nature of the target audience and language or behavior by performers which may be inappropriate for that audience. When necessary, signs or other advisories will be used to inform attendees that the performance is intended for adult audiences and may contain material that may be offensive to some individuals or inappropriate for individuals under 18 years of age. Nudity is prohibited; however, appropriately costumed performers such as topless male Polynesian and Native American dancers are permitted.

a. Competition. Because the selection of an entertainer is based in large part on customer preference, competition generally is not required. This, however, does not permit the exclusive use of one entertainer or individual. When there is more than one agent or individual who can provide equivalent quality and at comparable prices in a given geographical area, the sources will be rotated.

b. Contracts.

(1) Verbal contracts are prohibited.

(2) The Director, FMWR may approve commercial entertainment contracts in amounts not to exceed \$25,000. The garrison commander (may be delegated) will approve commercial entertainment contracts in amounts that exceed \$25,000.

(3) Entertainment contracts will be issued in accordance with AR 215-4.

(4) Entertainment contracts that exceed a NAF contracting officer's warrant will be accomplished by the FMWRC NAF Contracting Directorate.

(5) When required by State or local laws, contracts will be negotiated only with licensed agents.

(6) Entertainers will not receive free food, beverages, lodging, transportation, or other considerations unless specified in the contract as part of this remuneration.

(7) A contract will not be entered into between an MWR program and a Government employee or any organization substantially owned or controlled by one or more Government employees, unless the MWR program's needs cannot otherwise reasonably be met. The Joint Ethics Regulation (DOD 5500.07-R) and AR 215-4 will apply.

c. Other requirements.

(1) Copyright clearances will be obtained before the performance date, as prescribed in this chapter.

(2) When practical, performers will be auditioned by program managers at no cost to the MWR program.

(3) Performances will be monitored by the manager on duty. A written evaluation of each act will be submitted to the contracting officer and serves as the CAO receiving report.

(4) Payments will adhere to the following criteria:

(a) When the entertainment contract specifies that entertainers are to be paid immediately after a satisfactory performance, checks will be issued by the CAO in advance and held by the responsible manager until entertainers have satisfactorily completed the performance.

(b) All or part of a payment may be withheld in the event of substandard or objectionable performance or other contract violation. The contracting officer and SJA will be consulted immediately. Every effort will be made to negotiate a settlement before payments of any kind are made.

(c) Payments may be made by purchase card or convenience check in accordance with the applicable threshold and if specified in the contractual document.

(5) Garrison commanders and the public affairs office (PAO) will be advised of incidents or acts by performers that may attract unfavorable comment, controversy, or publicity. On the first working day following the incident, the responsible manager will provide a report that specifically addresses—

- (a) The nature and extent of substandard or objectionable performances or other contract violations.
- (b) Offers of gratuities or bribes, if applicable.
- (c) If applicable, references made by performers that may offend followers of any faith, acts, gestures, or remarks that tend to mock physical handicaps or that ridicule the U.S. Government, the military services, or any individual or racial, religious, ethnic, or national group.
- (6) The installation PAO will be informed in advance of event publicity arranged by performer's agent.

8–19. Golf

a. Description. The Army golf program offers recreational golf, open play, tournaments, and services such as golf instruction, golf resale, food and beverage services, catering, and other golf-related activities for eligible patrons.

b. Guidelines.

(1) The United States Golf Association (USGA) rates Army golf courses in the United States; handicaps are computed in accordance with the USGA system.

(2) Appropriate local procedures will be established to reserve a reasonable number of weekend, weekday, and holiday starting times for active duty and RC Soldiers.

(3) Local provisions for storage and use of privately owned golf cars will be approved by the garrison commander (or designee). The following conditions will apply:

(a) Owners will carry liability insurance for golf car use and storage and sign a liability release. Copies of the insurance policy and liability release will be kept on file at the golf course. Failure to retain adequate and current coverage will result in removal of the golf cars.

(b) Privately owned cars will not be repaired or maintained by golf course employees.

(c) Fees and charges will be prominently displayed. Posted storage charges will be assessed to offset any expenses incurred. Trail fees will be charged to each user, owner, or driver; additional charges for guest riders are at the discretion of the garrison commander. Storage and trail fees will be waived for disabled individuals who must use golf cars modified specifically to accommodate their disability.

(4) Golf managers may have monthly expense accounts to assess market trends in the golf industry. Accounts must be reasonably related to the needs of the MWR program. Policy outlined in paragraph 8–24 for military club managers' personal expense accounts will apply to golf managers.

(5) Golf Course managers and their full time assistants may be exempted from paying greens fees and from golf car rental when necessary to perform their official duties in accord with DOD 5500.07–R. This exemption will not apply to personal use.

(6) To reduce damage to greens, practice tees, golf cars, carpets, and wooden stairs, metal spiked golf shoes will not be worn on Army golf courses.

(7) Procedures will be established to notify players and suspend play when lightning or other severe weather is in the vicinity.

c. Activities.

(1) Golf activities may include—

(a) Lessons, open play, league play, tournaments and golf outings, and special groups such as juniors and seniors.

(b) Hosting of interservice golf tournaments.

(c) Handicapping services.

(d) Driving ranges and miniature golf.

(e) Locker, equipment, and golf car rental.

(2) Pro shops and other golf-related resale and services may be established based on market demand. This includes food and beverage service (including alcoholic beverages), golf club fittings and repair, and amusement machines.

(3) When supported by a cost benefit analysis, installations may contract for the services of golf professionals under the provisions of AR 215–4. The contract may allow the golf professional to share in earnings from the sale of merchandise, golf car and equipment rentals, and golf lessons. First-line golf course managers are eligible to receive income from golf instruction under management incentive plans. In addition, revenue-sharing may be developed for NAF employees who also provide golf instruction. See AR 215–3, paragraphs 9–8a and b for policy on management incentive plans and revenue sharing, and paragraph 6–8e for policy on establishing performance standards.

d. Reciprocal privileges. Reciprocal privileges among Army golf courses are established so that Army golfers may experience play at other Army golf courses on a reciprocal basis.

(1) Local policy, such as restricting reciprocal patrons to space available play, may be established to ensure that reciprocal privileges do not negatively impact on the installation golf program.

(2) With IMCOM Region approval, garrison commanders may assess reciprocal patrons a discounted daily greens fee if the commander determines that reciprocal privileges are adversely affecting the golf course's ability to generate revenue.

(3) Reciprocal privileges will be granted by issuance of a prenumbered advance greens fee card that includes name, grade (if applicable), and the period for which the card is valid.

(4) Active duty Soldiers and members of the RC and their Family members who have paid advance greens fees at their military installation will be granted reciprocal privileges at any Army golf course, subject to limitations in paragraph 8-19d(1) and (2).

(a) Army personnel who reside on an installation other than the one to which assigned may pay advance fees at their place of residence or assignment.

(b) Army personnel and members of the RC assigned to a duty station with no golf course or not assigned to an Army installation may pay advance greens fees at the Army golf course nearest their work or residence.

(5) Other eligible patrons will be granted reciprocal privileges at Army golf courses that are located over 50 miles from their home course, subject to limitations in paragraph 8-19d(1) and (2).

(a) Retirees will pay advance green fees at the Army golf course nearest their residence as determined by appropriate documentation containing the individual's current address.

(b) DOD civilians will pay advance greens fees at the installation of employment if regulation nine-hole or larger courses are available. If they are not available, advance greens fees may be paid at the installation nearest their residence or work location, subject to local patronage policy.

(c) Eligible patrons on temporary duty will be granted reciprocal privileges for 14 calendar days at the duty location. Regular or advance green fees will be paid, beginning on the 15th day.

(6) Other eligible patrons who choose to pay advance greens fees at an Army golf course different from the one closest to their place of assignment or residence waive their right to reciprocal privileges at the Army golf course nearest their residence.

(7) Golf managers will maintain separate records of the number of rounds played by reciprocal patrons for market analysis, assessment of fees and charges, and budget preparation.

e. Integrated pest management program.

(1) Each Army golf course will develop a comprehensive integrated pest management program that minimizes reliance on chemical applications to control pests and weeds.

(2) Golf course employees (golf course superintendent or designated groundskeeper) whose duties include the application of chemicals must be a DOD-certified pesticide applicator. Their duties include, but are not limited to, the supervision of mixing and application of chemicals, providing guidance on proper use as to type and quantity, and ensuring that the storage of chemicals meets proper storage and safety requirements. They will inform the golf course manager of the type of chemicals being applied so that appropriate safety warnings may be displayed for patrons and employees when necessary.

(3) The program will ensure that chemicals are stored, safeguarded, used, and disposed of in accordance with applicable Federal, State, and local regulations and host nation directives for MWR golf courses located OCONUS.

8-20. Gyms/physical fitness centers/field houses

a. Description. These facilities provide programs and activities that promote healthy lifestyles.

b. Physical fitness facilities. The terms "gyms, physical fitness centers, and field houses" are used interchangeably in this regulation. Physical fitness programs develop the cardiovascular fitness, strength conditioning, flexibility, and recreation of DOD personnel. Physical fitness facilities are the hub of the installation-level sports and fitness program, access to which is vital to fitness throughout the Army community. Fitness classes and exercise programs/instructions also may be offered in these facilities (see para 12-8, which addresses fees charged).

(1) *New facility placement and designs.* New facilities will be located in or near troop housing areas or in other areas conducive to maximum use.

(2) *Construction standards (design-build).* Physical fitness facilities (building category code 74028) standards include separate office, service, locker rooms (with saunas) and storage areas, and a combination of the listed functional areas/modules below (indoor pools are accounted for separately under building category code 74072, Indoor Swimming Pool):

(a) Gym module, to include indoor multiple purpose courts and spectator area.

(b) Indoor jogging track (one per installation).

(c) Structured activity module, to include racquetball courts.

- (d) Fitness module, to include resistance training area and cardiovascular training area.
- (e) Exercise module, to include a multiple purpose exercise area.
- (f) Administrative office space.
- (g) Lobby.
- (h) Support module, to include laundry and storage.

c. *Fitness extension services.* Mission Commanders may use APF contracts for organizational memberships in local commercial or municipal fitness facilities for military personnel when military facilities are not available or adequate. Civilians can take advantage of a group membership on a space-available basis at no cost to the Government. The use of NAF for these organizational memberships is not authorized. Examples include a gymnasium, community center, or recreation center complex with running tracks, athletic fields, shower/locker facilities, and swimming pools for aquatic training. Prior to authorizing contracts, Mission Commanders will conduct an assessment to confirm that—

(1) Commuting distance to the nearest military installation would cause an unreasonable hardship on affected personnel.

(2) There are no free opportunities in the civilian community where assigned.

d. *Youth use.* All participants are expected to conduct themselves in a reasonable, responsible, and prudent manner in accordance with facility rules and regulations. Youth may use adult indoor physical fitness centers only under the following provisions:

(1) Soldier programs must not be displaced.

(2) Children 12 years old and under may not use mechanical cardiovascular equipment, or strength, sauna, or steam rooms or jacuzzi areas at any time.

(3) As a Family member, children and youth (15 years old and under), not otherwise prohibited in paragraph 8–20d(2), must be actively participating in the same activity and under the direct supervision of a parent or guardian.

(4) Youth must be a participant in a special program, organized and conducted by CYSS, schools, or other authorized youth organizations.

(5) Children of kindergarten age and older will use gender-appropriate showers, locker rooms, and bathrooms.

8–21. Leisure Travel Services

a. *Description.* Leisure travel is any travel that is not paid for or reimbursed by APFs or NAFs. Leisure Travel Services (LTS) provide information and access for personal travel and travel related services at representative industry or discount prices. The installation LTS manager will be the central information and referral source for leisure travel programs and activities conducted on installations or sponsored by installation organizations or agencies. Functions are listed at figure 8–2. The LTS functions consist of services provided under one or the other of two subprograms: Commercial Travel Services (CTS), and Information, Tickets and Reservations (ITR).

Commercial travel services

- Airline tickets
- Rail Tickets
- Other services required by local contracts
- Lodging and vehicle rentals in coordination with CTS arrangements

Information, tickets, and reservations

- Local travel information and counseling
- Local and regional tours
- Drive package arrangements and tours
- Tickets to: local/regional/national attractions; off-post special events; on-post special events
- Cruise packages (Armywide)
- Package tours (Armywide)
- Vacation packages (Armywide)
- Group travel arrangements
- Hotel reservations (incoming travelers and in coordination with ITR travel arrangements)
- Vehicle rentals
- Travel and travel cancellation insurance
- Automobile club memberships
- Discount travel books
- Discount dining and coupon books
- Pet shipment arrangements

Figure 8–2. Program alignment

(1) *CTS*. *CTS* include the booking and sale of reservations on behalf of eligible patrons on common carriers, and other arrangements in support of travel, for example lodging and vehicle rentals. Commercial travel services are those that are available to the general public on a scheduled basis. These include reservations and ticketing on airline, rail, and bus. The installation MWR program will be responsible to the extent *CTS* are available at the installation. Where feasible, *CTS* may be provided to eligible patrons via local NAF contract, by qualified MWR NAF employees, or via internet website maintained by FMWRC or the local NAFI/entity. Where the installation uses Web-based service as its means of providing service, ITR or other MWR employees will be trained to assist military members in navigating internet sites to acquire services, and to assist individuals without credit cards to pay for transactions using a dedicated NAF Purchase Card under the Government Smart Pay Program.

(a) The office that handles commercial travel, whether supported by a contractor or MWR program, may receive payment in the form of a commission from the travel supplier as compensation for selling and booking the travel arrangements. Because the amount of commission will vary, and in some cases, no commission may be paid, a transaction fee may be charged as consideration for making a reservation on behalf of the patron. In the event a transaction fee is added to the cost of travel, the fee will not exceed 80 percent of the average transaction fee charged by travel agencies in

the nearest civilian community. An installation MWR program may receive a share of the transaction fee from the contractor but only in cases where the revenue is needed to offset NAF expenses for delivery of the service. It is the obligation of the local LTS program manager to ensure that Soldiers are charged the lowest possible price for travel arrangements. If CTS are provided by an MWR program, no transaction fee will be added to the basic cost of the travel arrangement in excess of the amount needed to offset actual NAF costs to deliver the service. The NAF goal of providing leisure CTS will be “service over profit.”

(b) Local CTS contracts will not imply or delegate any right of exclusivity to the contractor. The Army reserves the right, always, to inform and provide its members of best values and alternative sources of travel services.

(c) Installation NAFIs/entities will provide information to their patrons concerning alternative sources of travel services—for example via internet websites and telephone reservation centers. Installation NAFIs/entities will promote and publicize the availability of Army or local installation websites that provide information and sales of travel services. A dedicated website will be established and maintained by FMWRC for this purpose. Where feasible, sales resulting from the Web will result in a concession fee. Concession fees generated from online sales will be paid to the NAFI/entity identified by a purchaser at time of the sale.

(d) At training installations, the MWR program working in coordination with the Basic Training/Advance Individual Training coordinator(s) and the installation LTS provider are responsible to ensure support for the annual year-end exodus movement. Minimum support will consist of counseling travelers, processing individual requests for tickets, accepting payment, and issuing all necessary travel documents to the traveler.

(e) Under terms of an APF contract awarded by Surface Deployment and Distribution Command, the official travel contractor will be required to make personal/leisure travel arrangements in conjunction with official travel, and Emergency Leave travel arrangements. Arrangements for leave in conjunction with official travel are limited to point-to-point transportation, vehicle rental arrangements, and lodging. As a convenience to the customer, the official travel contractor may also make travel arrangements for Family members not named on the travel orders but who wish to accompany the individual who is authorized to perform the travel.

(2) *ITR offices.* These offices provide incidental travel and travel-related services, other than those defined as commercial travel. These authorized services include information about activities and venues located both on and off the installation; event and attraction tickets, including those sold via contracted kiosks; website and telephone reservation centers; group and individual travel arrangements; drive travel arrangements; lodging arrangements; vehicle rental arrangements; and other advance sales or registration services that support installation NAFIs/entities. Conditions of discounted individual tour, travel, and ticket arrangements are usually referred to by industry as frequent individual traveler arrangements. These arrangements seek to provide the economic benefits of group sales to support a class of individual customers.

(a) ITR offices will make available for sale to authorized patrons, tickets to off-post attractions such as entertainment programs, sports events, theme parks, and other commercial programs that have broad appeal to the military community. Tickets may be sold to customers from staffed offices and/or using one or more components of a virtual ticket office (VTO).

1. Tickets may be acquired by ITR offices for resale via consignment agreements in accordance with AR 215–4; prepaid purchase; ordering through a central ticket distribution program operated by and for DOD components; or by issuing military travel vouchers (MTVs) supplied by FMWRC for prepaid admission to attractions that participate in the program. ITR NAF operating expenses are expected to be offset from markups included in the end-price paid by the customer.

2. Self-service ticketing systems may be installed at installations under provisions of a VTO, to include direct customer purchase via a website, or at a telephone reservation center. A fee will be paid to NAFIs/entities from all sales. VTO services are provided by an Army NAF contract administered by FMWRC. Fees from VTO sales will be paid centrally and dispersed to each NAFI/entity via the ABIF.

(b) Group tours, cruises, and other types of package vacation arrangements may be sold by ITR offices under terms of Army or other DOD service preferred provider agreements.

(c) Hotel reservations may be made by ITR on behalf of authorized patrons who request such service. NAFIs/entities may accept commission payments from the lodging property for reservations in accordance with standards of the trade, provided there is a formal agreement between the property (or hotel chain) and the NAFI/entity that authorizes such payment. Alternatively, prepaid arrangements may be made under the MTV program, where the property has agreed to accept the MTV under “net” payment terms (noncommissionable). The ITR office may provide hotel reservation service to any authorized incoming traveler requesting such assistance, provided such referral is voluntary and not directed by installation authorities.

(d) An ITR office may operate as an additional registration and advance sales outlet for any NAFI/entity-sponsored program or event. This provision does not prevent other NAFI/entity operations from managing their own sales or registration processes separately or in coordination with the ITR office.

(e) In the ITR operating environment, modern electronic communications in the form of e-mail, internet access, civilian telephone, and electronic facsimile machine are essential tools necessary to acquire information, make and confirm reservations on behalf of customers, and otherwise provide a timely response to the requirements of customers and suppliers. All operating offices will be expected to have ready access to each of these media in order to effectively serve their patrons.

b. Guidelines.

(1) Guidelines for tour directors, guides, and escorts are contained in appendix I of this regulation. In the event an accident or other incident occurs on any group tour sponsored or arranged by the ITR office and which results in personal injury or death, the FMWRC program manager will be notified by the local ITR manager or individual in position of equivalent responsibility within 3 calendar days of the incident.

(2) Army preferred provider agreements that require payment of concession fees from travel sales will direct such payment in the form of an electronic fund transfer to the Army MWR Fund. To receive fee distribution from any Army travel services contract, NAFIs/entities must participate in the Army Banking and Investment Fund (ABIF). Fees generated at sites where there is no bona fide NAFI/entity, or where the NAFI/entity does not participate in the ABIF, will be retained by the AMWRF. Fees from any central Army travel services agreement will be recorded under program code "KD" or "LS" (FMWRC will provide information in annual budget instructions).

(3) Only authorized NAFI/entity patrons may use LTS to arrange activities for POs of which they are members. When a PO arranges a group travel event for its members through an off-post source, it may not advertise or solicit sales on the installation to nonmembers of the PO. Where arrangements for a PO-sponsored tour have been made through the commercial travel office or ITR, the PO may, at its option, open the tour to nonmembers who are eligible patrons of NAFIs/entities.

(4) Overseas, the United Services Organization (USO) may operate tour programs when authorized by the overseas IMCOM Region. Such authority must be specified in a written MOU or other formal agreement between the USO and the IMCOM Region or the garrison MWR operating entity. All tour and travel-related services not identified in the agreement are the responsibility of the LTS program and may not be offered by the USO without a change to the agreement.

(5) With concurrence of the local Director, FMWR, the CTS provider and ITR office may provide limited logistical support to friends and Family members of Army personnel who are invited to attend graduation or other official ceremonies conducted at an installation. Services may include commercial travel arrangements, local lodging arrangements, and other amenities offered as a courtesy to these guests.

(6) Acceptance of commissions and fees will be subject to the terms and conditions of contracts issued in accordance with AR 215-4. Override payments based on agreements with favored vendors are prohibited.

(a) FMWRC may negotiate contracts or marketing agreements on behalf of NAFIs/entities, with national or regional travel service providers and attractions. Prices, rates, services, or commissions will be stipulated in the agreements. Agreements are posted to a secure website; authorized MWR managers will be provided a user identification and password to acquire access to the secure site to download new agreements, prices, and timely information. A summary of active agreements is available from the Management Links on the Business Programs (FMWRC) at www.armymwr.com. Installations may establish local or regional agreements to augment the FMWRC agreements.

(b) Army NAFIs/entities will be encouraged to participate in central ticket distribution programs operated by DOD components without a formal contractual agreement or purchase request. Authority to participate must be approved by the NAF financial manager or other supervisory authority in the NAFI/entity chain of command.

c. Event tickets. Tickets accepted by a NAFI/entity, including those received on consignment, may not be withdrawn from sale or reserved for individuals based on their rank or official government position (military or civilian). In all cases, all military personnel will be provided an opportunity to purchase tickets on an equal basis (see also para 12-8).

8-22. Library and information services

a. Description.

(1) *General libraries.* General libraries are the central information resource for the military community providing the tools and services to impact mission readiness, support life-long learning, enable literacy, and enhance the military community's well-being. Services include, but are not limited to administration, public services (that is, borrower services, interlibrary loan access, reference/research services, and programming), mission support/Army initiatives, educational support, and technical services. Libraries offer in-depth reference/research services (electronic and traditional formats) to include referral to other installation and DOD programs/collections. They offer a full range of information tech-

nology to access information and perform management functions. They also offer internet access for customer use, and participate in consortia, networks, resource sharing cooperatives and regional or nationally sponsored bibliographic databases. Libraries are subject to standards of regional educational accrediting associations, the American Council on Education, and the Military Installation Voluntary Educational Review, which review and accredit colleges and universities offering classes on Army installations. General libraries are directed by professional librarians, are a part of the overall Army Library Program, and are operated in accordance with the following standards:

- (a) DOD MWR Library Standards.
- (b) Army MWR Library Baseline Standards.
- (c) American Library Association standards and practices.
- (d) Association of College and Research Libraries standards.
- (e) Special Libraries Association standards.
- (f) Appropriate industry standards.
- (2) *Mission*. General libraries sustain readiness by contributing to joint knowledge superiority while concurrently supporting research, outreach, education, training, well-being, and life-long learning.

(3) *Library system*. A library system is a group of libraries supporting a common mission. On installations having two or more libraries, one is designated as the main library and all others are branch libraries. If there is only one library, it is designated as a main library. Where technical, academic, or other special libraries are located on the same installation, the general library should develop formal agreements as necessary to form a mutually supportive library system. All libraries will take advantage of new technologies to support information requirements. A library system includes some or all of the following:

(a) A main library may be either the headquarters of an installation library system or the sole general library on the installation. Main libraries provide complete services to users as well as overall administrative and technical services support for the system. A main library may also be a consolidated library that supports various elements and requirements of the installation to include MWR and education.

(b) A consolidated library has merged various installation/activity missions to form one supportive program. Various missions supported in a consolidation include, but are not limited to, academic, technical (research and training), off duty education, and MWR. An alternative to a fully consolidated library is consolidation of any one of the following library elements: management, facilities, or functions (for example, technical processing). As with all other activities, a consolidated library requires adequate dollars for staffing, resources, and facilities.

(c) A branch library operates under direction of the main library staff and has a separate permanent staff, facility, and permanent base collection. Normally, a branch library is established in a hospital, a remote billet area, a housing area, or a location which supports an education center.

(d) A field collection is established where the number of personnel or lack of facilities, preclude the establishment of a library. Field collections are directly supported by a library/library system; materials are exchanged on a regular basis. Normally, field collections do not have a permanently assigned staff.

(e) A bookmobile is a mobile unit providing library services to personnel isolated from the main library. Bookmobiles operate on a regular advertised schedule and have a designated collection and staff.

(f) Paperback book outlets are established to distribute paperback books from kits received through the Army centralized acquisition program.

(g) Office collections are publications issued by main libraries to offices that have a recurring need for specific reference items.

(h) A regional reference center is a library designated to receive additional materials from the centralized acquisition program. Regional reference centers offer extensive interlibrary loans and books-by-mail service for the military community, military region, and TDY personnel. Before serviceable material previously purchased by FMWRC is withdrawn from a collection, titles must be approved by FMWRC.

b. Guidelines.

- (1) Procedures for establishment and disestablishment of libraries are in AR 735–17.
- (2) Library standards are issued separately by DOD and FMWRC.
- (3) The Privacy Act systems notice for Library Borrowers’/Users’ Profile Files (A0215–1 DAPE) is available on line at the DOD Privacy Act Systems of Records Notices. User information is released only after a review of the request by the appropriate Freedom of Information Act or Privacy Act adviser to ensure that the request complies with provisions of AR 340–21.

(4) Provision of library service to prisoners at Army confinement or correctional facilities will be in accordance with AR 190–47.

(5) Library materials made or acquired and preserved solely for reference and copies of documents preserved only for convenience or reference are not included within the statutory definition of the work “record” and therefore are exempt

from records management policies (see AR 25–1). This includes machine-readable items such as floppy disks, microfilm, microfiche, databases, CD-ROMs, and e-mail.

(6) Library materials and equipment acquired for use in Army libraries are exempt from visual information equipment and records management provisions of AR 25–1. This includes still and motion media systems, computer graphic equipment, and conference room presentation systems.

(7) Historical materials are protected in accordance with AR 735–17 and AR 870–5.

(8) Registered first-class or numbered insured mail is used for the mailing of books and other materials that are one of a kind, rare, out of print, irreplaceable, or exceed \$200 in value. AR 25–51 authorizes the use of express mail under limited conditions. Other library material is transmitted by third or fourth-class mail, depending on the weight and type of material.

(9) The Central Book Acquisition Program (RCS CSGPA1701), supported by FMWRC, provides a continuing selection of general reading material and reference titles in all formats, including online databases for Army libraries.

(a) Publications are selected on the basis of broad appeal and reference applicability and supplement local requirements. Installation librarians budget for and procure items required to respond to unique installation or community needs.

(b) Paperback book kits are selected and procured monthly for isolated units, hospitals, confinement centers, contingency operations, and units on maneuvers and exercises.

(c) Procedures for requesting books through the central acquisition program are issued annually by FMWRC.

(10) FMWRC may request reports from libraries, as required.

(11) Federal copyright law reserves to copyright owners the exclusive right to reproduce and distribute their works. Libraries and archives may make and distribute single copies of copyrighted material in response to requests from patrons or other libraries when the material is for private study, scholarship, or research. To implement this exception, libraries located in the United States or its territories or OCONUS display a warning notice. The warning sign is printed on heavy paper or other durable material in type at least 18 points in size and displayed near copying machines or equipment to inform users of copyright restrictions. Unsupervised copying equipment in libraries where patrons make copies for themselves will display the following notice: “The making of a copy may be subject to the Copyright Law” and “NOTICE–Warning concerning copyright restrictions—the Copyright Law of the United State (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material.”

(12) There will be no censorship in Army libraries. Materials will cover different views of controversial subjects. Garrison commanders will encourage and promote the availability of books, periodicals, and other media, which present a wide range of viewpoints on public issues (AR 600–20, para 5–9).

(13) Staffing and training are benchmarked against industry practices and the DOD Core Library Standards as stated in the Library MWR Baseline Standards (para 8–3). Position classification and job qualifications are based on Office of Personnel Management Job Qualification and Position Classification Standards for Libraries. Recruitment for librarian vacancies at the mandatory DA referral grade levels (GS–11–15 for librarians) is filled through referral lists obtained from the servicing CPAC. The area of consideration for these vacancy announcements must be at least DA-wide (see AR 690–950). For further information, see AR 690–950, chapter 3. Minimum training requirements for librarians include one annual training session at national/regional conferences or workshops. Training at either Military Librarians Workshop or Army Library Training Institute will meet that requirement.

(14) Unofficial network services (internet access) for library patrons, for example, Family members, retirees, will be in accordance with AR 25–2 and chapter 7 of this regulation.

(15) Libraries will be constructed or modified to meet DOD library standards, provide for functionality in use of materials and equipment, and be located in high traffic areas. Facility interiors will reflect contemporary design trends. Guidance for designing or renovating existing structures is in the UFC 4–740–20, DG–1110–3–110, and DC TI 800–01, appendix D.

(16) Policies applying to all Army libraries are found in AR 25–97.

8–23. Movies

This program provides free-admission motion picture entertainment to isolated or deployed military personnel and civilians.

8–24. Food, beverage, and entertainment programs on military installations

a. Description. MWR food, beverage, and entertainment (FB&E) programs encompass all MWR food operations such as military clubs (membership and nonmembership), FB&E operations, and snack bar operations in MWR facilities such as bowling, golf, and recreation centers. MWR FB&E programs are an integral part of the commander’s overall food service programs and assist the commander, along with AAFES and subsistence/troop feeding, in meeting the food service needs of the installation’s assigned or visiting personnel.

b. Military clubs. Military clubs are primarily membership programs and include officer, NCO, enlisted, and community clubs.

(1) *Mission.* The mission of military clubs is to—

(a) Sustain Soldier morale and well-being, which contribute to high performance combat effectiveness.

(b) Provide a constructive social alternative.

(c) Support the Army goal of readiness and retention by providing an installation focal point for social activities and military events that foster unit camaraderie, esprit de corps, and cohesiveness.

(d) Satisfy market demands of the total Army Family by providing services such as food and beverage, entertainment and recreational activities, check cashing and currency conversion, where applicable and supported.

(e) Provide alternative feeding facilities to supplement troop dining facilities.

(f) Meet installation mobilization, emergency, protocol, and hosting requirements.

(g) Meet the need for command-sponsored events and social function requirements of an installation and its personnel.

(h) Provide alternative feeding facilities at OCONUS locations where host nation eating facilities (kantines) are not available to feed local and third country nationals.

(2) *Club management.*

(a) The establishment of separate clubs for officers, NCOs, and enlisted personnel will depend on installation and market demand. Community clubs will be established to serve two or more categories of patrons, such as NCOs and enlisted personnel, and may include equivalent grade civilians.

(b) IMCOM Regions and garrison installation contingency plans will include provisions for club use as additional feeding facilities during mobilization and emergencies.

(c) Installations may contract or execute an MOA with the garrison MWR operating entity for clubs to provide troop feeding service for emergency situations and when troop dining facilities are not available.

(3) *Membership.* Membership will be voluntary. Individuals will not be required to give reasons for declining or ending membership.

(a) Patronage eligibility is defined in chapter 7.

(b) The assessment of membership dues is optional.

(c) When spouses are eligible for membership in different clubs because of rank or grade, each may join the club for which eligible. When both spouses are eligible for membership in the same club, each may become a member or one may join as a sponsor.

(d) Persons with dual eligibility, such as a retired NCO who is also a DOD civilian with the equivalent grade of an officer, may join any club for which they are eligible.

(4) *Suspension.* Garrison commanders (may be delegated) may suspend a member's privileges if a member violates the DOD 5500.07-R or the conditions of membership set by regulation or club house rules. Temporary suspension of privileges will comply with house rules.

(5) *Dues.*

(a) When dues are charged, a separate membership dues structure for officers, NCOs, and enlisted personnel may be established.

(b) Clubs that charge membership dues will issue club membership cards that verify that dues have been paid and show the issuing club, cardholder's name, and expiration date. Refer to table 7-1 for authorized patronage.

(c) Clubs will issue numbered club cards, keep a list of cardholders, and annually update the list for accuracy and currency.

(d) When dues are charged, members will be charged for the month in which they join, but not the month in which they leave the installation or end their club membership. Members are refunded prepaid dues based on reassignment orders or letters of resignation.

(e) Dues will be billed at the end of the month for the subsequent month.

(f) The Director, FMWR and community operations division (COD) chief or equivalent counterparts, club managers, and their full-time assistants will be exempt from dues.

(6) *Reciprocal privileges.*

(a) Members will be afforded reciprocal privileges at all Army installations under the same conditions as host club members, except that credit will be limited to commercial credit or bank cards accepted by the host club.

(b) Reciprocity will not apply to host club special events and promotions such as membership nights, discount coupons, or local recognition programs, unless approved by the garrison commander (or designee).

(c) Persons who are members of clubs that do not charge dues will not be entitled to reciprocal privileges at clubs that charge dues, unless permitted by intraservice or local joint service agreements.

(d) Membership cards are the primary means of identifying persons eligible for reciprocal privileges.

(7) *Use by nonmembers.* Nonmembers may use club facilities if one of the following conditions applies:

(a) Guests of members (persons not eligible for membership who have been extended a specific invitation by a member). The member assumes full responsibility, including payment for services and products received.

(b) Personnel in a transient status or on TDY for less than 30 days.

(c) ROTC cadets, when visiting an Army installation in an official status or as approved by the garrison commander (or designee), cadets, and midshipmen of the Service academies.

(d) Nonmembers assigned to or employed by the installation who are authorized MWR patrons. Normally, use is limited to food service and common areas during established dining hours when considered by the garrison commander in the best interests of the Army. However, nonmembers may also be granted access to ancillary activities offered by membership clubs, such as tennis courts and swimming pools, subject to space availability and assessment of usage fees, at the garrison commander's discretion.

(e) Nonmembers attending command-sponsored functions.

(f) Official installation guests.

(g) Attendees at private functions hosted by a member. This includes functions such as weddings, receptions, birthday parties, and other celebrations. See chapter 7, this regulation, for other participants at functions arranged by club members.

c. FB&E operations. These include FB&E theme operations, name-brand dining, catering operations, meeting/conference-type operations, and snack bars. These operations may be incidental to the operation of other MWR programs. FB&E operations are nonmembership operations.

(1) *FB&E theme operations.* These may include restaurants, lounges, high-energy night clubs, sports bars, and the like. They respond to market demands of the installation by providing high-quality food, beverages, and entertainment. Such operations are similar to franchise operations in that they employ a high degree of standardization of menu, decor, equipment, franchise uniforms, and operational procedures. FB&E theme operations provide brand recognition through uniforms, logos, and identifiable trademarks. FB&E theme operations are established only after a positive market assessment and are governed by an MOA signed by the garrison commander, the IMCOM Region Director, and FMWRC.

(2) *Name-brand dining.* See also paragraph 12–2 on resale authority.

(a) *Name-brand casual dining.* These include national and regional name-brand, full-service restaurant franchises with an average guest check of over \$10 and have multiunit operations, centralized marketing, and promotion capability and either have or are developing widespread product recognition within the market. These restaurants may be freestanding or located in MWR facilities on the installation. "Full service" means offering traditional table service with wait staff and/or bar service. Installations desiring an assessment for a name-brand casual dining operation will submit a request through their IMCOM Regions to FMWRC prior to commencement of any form of negotiations with the name-brand casual dining operation. FMWRC reserves the right to approve or deny any such request following the assessment based on the overall impact of the proposed facility on total food sales at the installation. Installations may not enter into agreements without the written approval of both the IMCOM Region and FMWRC.

(b) *Name-brand fast food.* These include operations within an MWR facility. Installations desiring an assessment for a name-brand fast-food operation will submit a request through their IMCOM Regions to FMWRC. AAFES and FMWRC will conduct a joint assessment in accordance with the name-brand fast-food MOA.

(3) *Catering operations.* These operations provide catered food and beverages as required on the installation. The mission of catering is to respond to the needs of protocol, hosting, command-sponsored events, the social functions of the installation, and authorized patrons. Catering is accomplished as follows:

(a) The operation will be centralized on an installation and may be located in a stand-alone facility or collocated in another facility such as a community activity center or conference center, or other MWR program.

(b) The operations located in APF Government buildings, such as conference or community activity centers, will pay their pro rata share of utilities.

(c) Authorized patrons who are members of non-DOD organizations may use catering operations for their organization events.

(4) *Snack bars incidental to operation of other programs.* Snack bars are food service operations featuring a variety of prepared or short-order menu items such as bottled beverages, sandwiches, chips, salads, and pizzas. Machine vended and brand-name fast-food operations are not considered as part of snack bars. Generally, services are given by an attendant rather than a waitress (no table service). They are operated in conjunction with other MWR programs or events such as a bowling center, sports program, or recreation center. Revenues will be attributed to the MWR program with which the snack bar is collocated and operated. Technical supervision will be furnished by a qualified food service management specialist.

(5) *Meeting rooms/conference-type operations.* These operations are normally associated or housed with FB&E programs or military clubs. They are authorized to host conference-type activities based on—

- (a) Space availability.
- (b) Patronage, fees and charges, and funding will be in accordance with this regulation.
- (c) Reservations will be in accordance with a locally-developed SOP.
- (d) Meeting rooms/conference-type operations are not intended to act as or replace full-time garrison conference/training facilities.

d. Policies applicable to all FB&E programs.

(1) *Programs.* Installations may operate one or more MWR FB&E programs, depending on need or demand. Specific programs may run concurrently or alternately within one facility or in separate facilities.

(2) *Contracting.* The installation may use APFs to contract or execute an MOA with the garrison MWR operating entity for use of FB&E operations under the authority of 10 USC 2492. MWR FB&E operations, particularly military clubs and catering operations, may be in a unique position to respond to installation/command needs for protocol, hosting, and command-sponsored events. In many instances, luncheons may be justified on a sole source basis (the distinguished visitor's time is limited, there is insufficient time for transportation to and from an off-post facility, and other similar circumstances).

(3) *Animal policy.* The only animals permitted in FB&E program facilities will be service animals and animals that are part of entertainment programs. Such animals will be controlled by their masters at all times.

(4) *Family members and prizes.* FB&E program managers, employees, and their immediate Families and guests will not take part in or accept prizes at FB&E program events where cash or other prizes are awarded.

(5) *Alcoholic beverage control.* The administration, control, and operation of alcoholic beverage programs will be in accordance with chapter 10 of this regulation.

(6) *Check cashing policy.* Garrison commanders may authorize membership and nonmembership clubs and other FB&E operations to cash patron personal checks. Garrison commanders will determine from authorized patrons outlined in table 7-1 which patrons are eligible to cash checks. FB&E operations cashing patron personal checks will post a sign indicating patrons authorized to cash checks. Check-cashing controls are in appendix G.

(7) *Private sector sales promotions.* Vendors and sales representatives may conduct sales promotions and present/giveaway items in FB&E programs. This may include events such as wine and cheese tastings, fashion shows, product displays in conjunction with an event, and direct sales as authorized by this regulation. DOD 5500.07-R applies to all promotional giveaways.

(a) If the event is initiated by a FB&E operation, a request for proposals describing the desired promotion will be issued to qualified vendors or sales representatives, in accordance with AR 215-4.

(b) Vendors and sales representatives desiring to conduct sales promotions will submit a written request including the name of the firm and its representatives; the type of event; the product to be promoted or sold; the proposed date, time, and place; and a brief description of the method of presentation.

(c) If products are to be consumed during the event, they will be provided from the FB&E program inventory and charged to the vendor at wholesale prices or provided by the vendor or sales representative at no cost. When products are furnished in advance, they will be considered inventory and accounted for at zero cash value on stock record cards separate from items normally stocked. Stock record cards and issue transfer documents will be maintained in accordance with DFAS-IN 37-1 Regulation, Chapter 32. After the promotional event, the FB&E program will either return all unused merchandise to the vendor or buy the merchandise at a price established in advance and stated in the contract.

(d) If products displayed during the promotion are to be sold directly to the patron, a short-term concession contract or purchase order will be used to define terms and conditions. Provisions will specify, at a minimum, the respective responsibilities, obligations, and liabilities of the FB&E program and the vendor and the fee or percentage of sales to be paid by the vendor to the FB&E program.

(e) The following information will be kept on file for 3 years after each promotional event: date and type of promotion; amount and type of goods consumed; amount and type of goods added to the inventory or returned to the vendor; and number of patrons participating, and their reaction to the items offered.

(f) Promotions conducted under commercial sponsorship agreements will be in accordance with chapter 11.

(8) *Non-DOD groups.* Subject to the patronage requirements in chapter 7, non-DOD groups may conduct events at clubs, including other FB&E operations that maintain food and beverage operations. Such events will be arranged by authorized MWR patrons, who are also members of the group conducting the event (dinner, meeting, or party). Fundraising events must satisfy the requirements of DOD 5500.07-R and AR 600-29. Any solicitation must comply with DOD 5500.07-R and AR 210-7. Participation will be limited to the members of that group, their Family members, and invited guests. Promotions involving alcoholic beverages will be supervised by the FB&E program manager.

(9) *Clubs and other FB&E operations openings.* Special promotions to mark openings of new or renovated clubs, other FB&E operations, or snack bar facilities may involve giveaways or reduced price activities subject to the following:

(a) A “soft opening” promotion (training employees in preparing and serving food and beverages and determining customer preferences) will be conducted 7 to 10 days before the scheduled grand opening. Attendees may include a limited number of specifically invited club members or patrons, as applicable, representing a broad spectrum of the membership or patron base, as applicable. Food will be sold at not less than cost; beverages are sold at the normal price.

(b) A “grand opening,” celebrating the first day of regular business is open to the entire military club membership or all authorized patrons if the opening involves a nonmembership FB&E operation, plus invited guests from local community and civic organizations and local media when a formal opening ceremony, such as a ribbon cutting, takes place. Food and nonalcoholic beverages may be offered at reduced prices or no charge. Alcoholic beverages are sold at normal prices.

(10) *Promotional items.* Consistent with provisions of chapter 13 and DOD 5500.07–R, clubs and other FB&E operations may accept items of small value from vendors (such as swizzle sticks, napkins, coasters, place mats, tent cards, glassware, and trays). Clocks, lights, and other items with vendor logos commonly furnished to similar activities in the private sector to promote products may be used in the FB&E facility. Controls will be implemented, as needed, to preclude preferential treatment or conflicts of interest between vendors and FB&E program personnel using these items. These controls will ensure that authorized vendors are given equal chance to provide available items. When accepted by program personnel, these items are described, valued, and accounted for in accordance with DFAS-IN 37-1 Regulation, Chapter 32. Vendors will not retain any rights over promotional items.

(11) *Vendor relations.*

(a) Within the provisions of DOD 5500.07–R, management will schedule meetings with commercial vendors and sales representatives as needed to discuss products and plan events. Sales representatives may not use clubs and other FB&E program facilities for personal reasons unless they are authorized patrons.

(b) Visits are recorded in a visiting sales representative register kept on file in the contracting or Director, FMWR’s office for reference during inspections and audits. The representatives’ names and company affiliations, times, dates, places, nature of meetings, and other appropriate comments are included.

(12) *Personal expense accounts.* Club or other FB&E program managers and their immediate supervisors may have monthly expense accounts to assess market trends and other hospitality operations. These accounts are administered as follows:

(a) Annual expenditures will not exceed amounts designated in approved budgets. The Director, FMWR will authorize and approve expense accounts and will establish monthly dollar limitations that will not be carried forward into the next month. Expenses will be recorded in the month in which they were incurred and charged to the operation to which the individual is assigned.

(b) Expense accounts will not be used to purchase alcoholic beverages.

(c) Reimbursable expenses are limited to expenses for which actual receipts are received; the date, nature of the expense and location are documented; and the signature of the individual claiming the expense verifies accuracy.

(d) Reimbursement is approved by the individual’s immediate supervisor, payable either by check to the individual who incurred the expense or by use of a NAF purchase card when expenses are incurred.

(e) Expenditures will be relevant to an employee’s responsibilities.

(13) *Other expense accounting.* The following are special expenses:

(a) Food or beverages rejected by a customer and replaced with other items will be charged to General Ledger Account 653 (Customer Rejected Goods Expense).

(b) Expenses related to sampling meals, testing the quality of food, or providing food and beverages without charge will be charged to General Ledger Account 652 (Promotion Expense).

(14) *Background checks.* CID background checks will be performed prior to hiring club or FB&E program management personnel and central cashiers.

(15) *Certification.* Club and FB&E program management personnel will participate in a club management certification program and attain certification by the fifth year of employment.

(16) *Packaged beverage sales.* Packaged beverages are ordinarily sold exclusively by AAFES package beverage stores. Exceptions are as follows:

(a) Garrison commanders may authorize the incidental sale of packaged malt beverages and wine coolers for off premises consumption provided there is no installation package beverage store or there is a valid need for a source of packaged malt beverages or wine coolers outside the operating hours of the installation package store. Prices charged for packaged beverages will be no less than those charged by AAFES or local, private sector commercial sources.

(b) Sales of beer by the keg will be controlled by party contracts.

(c) Sales of beer or wine cooler six-packs across the bar for off-premises consumption at bar retail prices will not be restricted.

(d) Packaged malt beverages sales may be included in catering contracts.

(17) *Food and beverages from other than FB&E operations.* No member, guest, or group will be permitted to bring food or beverage into an MWR FB&E facility for consumption on the premises. Exceptions are—

- (a) Box lunches at swimming pools and tennis courts.
- (b) Wedding cakes and other specialty food items provided by the host of a private party or reception. Conditions will be specified in the party contract.
- (c) Food and nonalcoholic beverages for consumption by employees during scheduled meal periods.

8–25. Outdoor recreation

a. Description. The outdoor recreation program provides structured and recreation activities and instruction. It offers diverse, healthful, vigorous, and comprehensive outdoor recreation programs while conserving and protecting wildlife, forests, wetlands, and other natural resources.

b. Guidelines.

(1) The installation outdoor recreation director will plan, develop, coordinate, and direct all outdoor recreation programs and facilities of the installation and provide technical expertise and advice to the garrison commander.

(2) High priority will be given to challenge-type activities that contribute to physical fitness and military skills. Examples are mountain climbing, rappelling, kayaking, skiing, and swimming.

(3) An installation outdoor recreation plan will be developed in accordance with chapter 15 and TM–5–803–12.

(4) Installations with land and water areas suitable for public recreational use and enjoyment have controlled public access in accordance with AR 200–3. Access will be subject to safety and military security requirements and will not impair the military mission or recreational use by military community members.

(5) Fees may be charged to recoup all or part of any NAF costs associated with providing “checkout” of APF outdoor equipment and for all category B outdoor recreation programs and activities, to include those used by units, youth programs, and all other installation activities (see chap 12 and para g, below). Fees may be charged for participating in or use of any category C outdoor recreation program and activity; and for rental of equipment used in these programs, such as trailers for overnight use; and rental of non-program related equipment, such as lawn mowers.

(6) The America the Beautiful National Parks and Federal Recreational Land Pass is congressionally authorized and provides access to and fee discounts at parks and recreational areas managed by the Federal Government. This pass replaces the Golden Age and Golden Access passports; however, these passports may be honored until the expiration date on the passports. Associated fees may include, but are not limited, to boat launching, camping, and parking. Commanders are encouraged to honor provisions of this pass when presented by MWR patrons. Information on and provisions of the pass can be found at http://www.nps.gov/fees_passes.htm.

(7) Outdoor recreation directors will coordinate directly with installation safety directors to establish safety education and training programs appropriate to the type and level of programs offered.

(8) Outdoor recreation directors will ensure that all activity leaders hold the appropriate national instructors certification for the activity they are conducting.

(9) Recreation vehicle (RV) storage, to include boats, trailers, motor homes, and similar outdoor recreation vehicles/equipment, is authorized. A fee is authorized for this service.

(10) The paragraphs that follow provide an explanation of the programs, activities, operations, and facilities representative of the outdoor recreation programs.

c. Boating. Boating includes watercraft powered either manually or mechanically for both fresh and salt water areas (examples of the range of boats include semivee, jon, bass, sailboats, rowboats, canoes, kayaks, Boston whalers, paddleboats, and powerboats). Before participating, patrons are required to meet applicable local, national, Federal, and/or State requirements, safety standards, licensing, and/or course certification.

d. Cabins/cottages/cabanass/trailers, plus tent camping. All these may be offered at Army recreational vehicle parks and recreation campgrounds (RV/CG).

(1) Buildings, land, water areas, and equipment maintained with APFs or NAFs will not be continually reserved for exclusive or priority use by individuals or groups. Reservations are made on a first-come, first-served basis, regardless of rank or grade.

(2) Homesteading is strictly prohibited. Installations may establish daily, weekly, or monthly reservation/contract periods, at the conclusion of which the next eligible patron on a waiting list must be accommodated. Commanders may authorize a length of stay up to 60 consecutive days during peak season and 90 days during nonpeak season. Commanders may authorize renewals of these reservations/contracts, on the day of expiration, as long as existing reservations/waiting lists will be accommodated by future departures. Personnel on extended stays must comply with local and State law relative to taxation, vehicle registry, and other residence issues.

(3) Outdoor recreation staff may reside onsite when required for security or program management reasons. Permanent, onsite housing for military managers/staff is considered on-post housing, and Family housing or barracks furnish-

ings are authorized. Civilian employees and military personnel drawing quarters allowance will be charged rent comparable to similar housing in the civilian community.

e. RV/CG. RV/CG operations are categorized as either small or large.

(1) Small RV/CG primarily support camping or participation in other outdoor recreation programs. They have minimum or intermediate levels of campground development (gravel or stabilized surface roads, single or multiple potable water outlets, electrical hookups, and optional showers and wash house). These RV/CGs are defined as pads, designated campsites, and “Kamp” cabins/cabanas with limited utilities.

(2) Large RV/CG are primarily stand-alone operations with staff dedicated to RV/CG operations. They have maximum levels of development (paved surface roads, individual potable water sites, individual electrical hookups, individual sewage hookups, bathhouse, and so on). They are defined as pads, designated campsites, and cabanas with utilities.

f. Equipment checkout centers. These centers are also known as “equipment resource centers” or “operations centers.” They are the focus for installation outdoor recreation programs but serve only one phase of the overall program. The staff organizes and conducts programs and educational, safety, and instructional classes; organizes specialized tours; coordinates equipment facility maintenance; stores RVs for private owners; coordinates outside maintenance and renovation projects for parks, picnic areas, marinas, archery, skeet, and trap ranges; and operates checkout and resale operations. Equipment available for checkout ranges from backpacks and fishing equipment to tents and boats.

g. Flying activities.

(1) Army flying activities offer recreational flying opportunities on off-duty time, teaching or improving aeronautical skills, and developing an awareness and appreciation of aviation requirements, safety, and techniques. Appendix J outlines specific policies and reporting requirements.

(2) Flying activities will prepare and submit an annual status report using DA Form 4909 (Army Flying Activity Annual Status Report) to FMWRC per appendix J.

h. Garden plots. Areas on an Army installation designated by the Facilities Engineer for use as garden plots by post residents. Guidelines for assignments of plots will be developed by each installation.

i. High adventure. These programs offer a degree of challenge and risk, either real or perceived (to include mountain climbing, rock climbing, hang gliding, parachuting, flying, rappelling, kayaking, and white water rafting). Participants will receive a safety briefing. Liability waivers are required per paragraph 13–18.

j. Hunting and fishing. These programs promote the recreational pursuit of fish, fowl, and small and large game, with emphasis on introductory hunting, fishing, and shooting activities. The following guidelines will apply:

(1) Fishing, hunting, and trapping will be in accordance with AR 200–3.

(2) Hunting and fishing programs will operate within MWR oversight and conduct game harvest procedures and objectives in accordance with installation Facilities Engineer and applicable local, Federal, or host nation government policies.

(3) Hunting and fishing events organized by military or civilian organizations will be coordinated in advance by the military or civilian organization with the outdoor recreation program office or the DPW, as applicable.

(4) The facilities engineer will be responsible for the biological aspects of wildlife management (to include stocking fish and game, maintaining habitats and feed plots, and determining and measuring the harvest).

(5) All hunters on Army property must have completed a hunter safety course or the equivalent, required by AR 350–19 prior to issuance of an installation hunting permit. Where States do not require a hunter safety course, installations will conduct semiannual hunter safety courses and publicize the requirement or publicize where the courses are offered.

(6) Special State permit fees may be collected for hunting and fishing permits on military installations and will be used exclusively for conservation and management programs developed in coordination with the regional office of the U.S. Fish and Wildlife Service and the appropriate State wildlife management agency (see AR 200–3 and the Army’s policy guidance for Fish and Wildlife Conservation Fund, 21X5095, dated 8 January 2002). Funds collected are deposited to the Wildlife Conservation, Military Reservation, Army account, 21X5–95, and used only on the installation where collected. Installations will specify how funds are used. Fees will be used for the protection, conservation, and management of fish and wildlife, including habitat restoration and improvement, biologist staff and support, costs, and related activities, as stated in the Fish and Wildlife Cooperative Plan, but for no other purpose.

(7) Funds required to support hunting and fishing fee collection administration will not exceed 10 percent of the annual revenues. All collections and planned expenditures will be reported in the Reimbursable Programs Tracking System prior to the beginning of each fiscal year, in accordance with the aforementioned guidance. Budget submissions will be approved by ACSIM, Office of the Director of Environmental Programs, and coordinated for FAD distribution with the Army Budget Office before obligations are incurred. Obligations incurred during the year do not exceed the budget authority granted (FAD authority) and any unobligated balances remaining from previous fiscal years.

(8) The cost of printing and issuing permits is funded from fees collected but will not exceed 10 percent of collections. Personnel expenses will be limited to functions associated with issuing permits and wildlife management. Requests

for exceptions to the provision will be forwarded to Assistant Chief of Staff for Installation Management (DAIM-ED-N), 600 Army Pentagon, Washington, DC 20310-0600.

(9) In addition to the hunting and fishing permit fees, activity fees may be established to defray NAF expenses incurred. Examples of expenses include management of organized hunts and lotteries to determine who may hunt or fish, transportation to and from hunting stations, construction and maintenance of hunting stands, and prizes for fishing derbies. Fees will be assessed in conjunction with the sale of hunting and fishing permits. Hunting and/or fishing program cards will be issued and be required for participation in all or selected hunting and/or fishing programs or events. Recreational activity fees will be deposited in the garrison MWR operating entity.

(10) Open house activities on National Hunting and Fishing Day, the fourth Saturday in September, will be authorized as a means by which to recognize Americans who contribute to the conservation of our natural resources, acquaint the public with the Army's hunting and fishing programs, and promote resource conservation. Promotional material is available at www.nhfd.org.

k. Marinas. Marinas are berthing facilities that house either Government-owned boats or privately owned boats, or both, and provide resale services.

(1) Community recreation marinas or boat operations will provide boats for water skiing, fishing, sailing, and paddle or pleasure boating for a daily service fee. The berthing of private boats (not to exceed 35 percent of available berths) is authorized. There is no APF or NAF support for private boat services. Food and related equipment outlets will be operated as category C MWR programs.

(2) Other marina operations offering more than 35 percent of available berths to authorized private boat owners will be operated as category C MWR programs.

l. Motor sports. Motorized sports are recreation activities that involve motorized vehicles such as snow machines, personal watercraft (jet skis), all-terrain vehicles, and related motorized vehicles.

(1) Motorized recreation equipment will not be authorized unless a risk assessment has been conducted and approved by the garrison commander.

(2) Users will have valid certification to operate as designed by that State in which the installation is located. All users must pass a safety course conducted by the outdoor recreation staff prior to usage.

(3) Full personal protective equipment will be worn at all times, to include helmet, protective eye covering, or whatever is required locally by the safety office.

m. Nature centers. Indoor and outdoor nature centers display animal and plant life to increase the educational and environment awareness levels for the general public.

n. Parachuting. Installations with suitable ground and aircraft resources may establish and maintain sport parachuting programs for sport parachuting instruction and related activities for eligible patrons. Establishment as a PO will not be authorized. Policy on parachuting programs is outlined below.

(1) Programs will be operated in accordance with SOPs that meet requirements and standards specified in the Federal Aviation Regulations (FAR), parts 1, 65, 91, and 105; the United States Parachute Association (USPA) Skydiver Information Manual (SIM) (to include Section 2, Basic Safety Requirements, contained therein); and applicable Army policies and procedures.

(2) Instructors will hold a current USPA instructor rating, method specific (static line, accelerated free fall, and tandem). If an USPA-certified instructor is not available, an individual holding a USPA Class D license and jumpmaster rating will be appointed as an instructor when recommended by the installation sport parachuting safety officer and approved by the garrison commander.

(3) All jumpmasters will hold a current USPA jumpmaster rating.

(4) Equipment used will be maintained and inspected by FAA-certified riggers and in accordance with FAA standards. All participants will provide a statement of physical fitness, as required by SIM, part 4.08.

(5) Military aircraft made available for Army parachute jumping will be limited to those that have been tested and approved for military parachuting. Jumps from aircraft that are owned, leased, or rented by Army flying activities are prohibited. Use of commercial aircraft is authorized if aircraft is FAA certified and supports sport parachuting.

(6) Procedures used in rigging aircraft for sport parachuting will be no less safe than those prescribed for military parachuting in FM 3-21.220.

(7) Surplus personnel parachutes and related air items obtained from a Defense Reutilization and Marketing Office (DRMO) must be certified airworthy prior to use by an FAA-certified rigger.

(8) Training programs will be administered by rated instructors as defined in this regulation. The levels and types of training offered are based on the availability of qualified instructors.

(9) Day and night sport parachute jumping in all USPA options, subject to the availability of qualified instructors, jumpmasters, and ground safety personnel, may be offered.

(10) Demonstrations and the performance of public relations events, in accordance with this and other Army regulations (see, for example, AR 360–1), is authorized.

(11) Resale of merchandise necessary or incidental to sport parachuting programs, operation of MWR snack bars, and similar food and beverage operations will be subject to policy in this regulation.

(12) Use of military aircraft will be at no additional expense to the Army. The scheduling of military aircraft for sport parachute jumps must coincide with either scheduled flights or aircrew training requirements. Sport parachuting missions will not be used as a basis for exceeding programmed flying hours.

(13) Garrison commanders may loan Army equipment, including military parachutes and air items, to sport parachuting programs if use of operational units for training and mission requirements are not precluded.

(14) Surplus equipment, including parachutes and air items, may be obtained from a DRMO at reduced or no cost.

(15) Requests to establish sport parachute programs will be submitted through command channels to the address below. Requests will include the number of projected users and a breakout of the patrons by category; estimated growth potential; a list of installation and community facilities available for use; the source and proposed use of program funds and the source of aircraft support; and, finally, the point of contact: Commander, Family and Morale, Welfare and Recreation Command (IMWR–CR), 4700 King Street, Alexandria, VA 22302–4418.

(16) Garrison commanders (or designees) will appoint an installation sport parachuting safety officer (ISPSO). Where possible, the ISPSO is a USPA safety and training advisor. The ISPSO supervises all aspects of sport parachuting safety within the command or installation and is a member of the installation safety council, reporting directly to the installation safety officer.

(17) Each program has a sport parachuting safety officer (ASPSO), subject to approval of the ISPSO and the USPA conference director. The ASPSO is responsible for the sport parachuting safety program, to include—

(a) Certification of student parachutists' advancement from static line to free-fall jump qualifications.

(b) Ensuring that instructors are qualified in accordance with this regulation and that jumpmasters hold a current USPA jumpmaster rating.

(c) Appointing a drop zone safety officer (DZSO) to control sport parachuting operations at a specific drop zone (each DZSO must hold a USPA class C or higher license or, if no C license or above qualified individual is available, the ISPSO may authorize a B license holder to act as the DZSO).

(d) Ensuring compliance with USPA basic safety requirements and maintenance of equipment by FAA-certified riggers in accordance with applicable FAR.

(18) Jumpmasters will control all jumps and discuss each jump with participating parachutists before boarding the aircraft, ensuring that each understands the type of jump to be made and is familiar with aircraft exiting procedures.

(19) Instructors will plan and conduct the training of student parachutists in accordance with FAR and USPA requirements.

(20) Equipment will satisfy requirements outlined in SIM, Section 2 and Section 8, paragraph 8–3. Additionally, students will wear military or commercial boots that extend above the ankles (no hook laces). Licensed, qualified persons may wear foot gear that covers the foot only. Tennis or running shoes are acceptable; sandals will not be worn. Hard helmets, such as hockey helmets or equivalents will be worn, except that USPA license holders and tandem students may wear soft helmets. Gloves and appropriate warm clothing will be worn if the temperature at jump altitude is below 40 degrees Fahrenheit. Shatterproof goggles and a functional altimeter will be worn on all jumps. All students will use automatic deployment devices. A light, visible for a minimum distance of 3 miles, and an illuminated altimeter will be used on all night jumps.

(21) In case of injuries or fatalities, the provisions of AR 600–8–1, AR 385–10, and AR 385–40 prescribe actions to be taken. The DZSO will assist in the investigation of nonfatal accidents. The ASPSO and a FAA-certified rigger will assist in fatal accident investigations. Completed accident investigation forms will be attached to the Army accident investigation report. These forms may be obtained from U.S. Parachute Association at U.S. Parachute Association, 1440 Duke Street, Alexandria, VA 22304, with a copy of the report provided to the Army Risk Management Insurance office (IMWR–FM–I), 4700 King Street, Alexandria, VA 22304–4418.

(22) The program manager will safeguard, supervise, and administer the program and maintain records of jump activity by date, time, place, and jumps by category of patron; and comply with all operational and reporting requirements contained in this regulation.

(23) Eligible patrons must be at least 16 years of age to participate. The parent or legal guardian of any person under the age of legal majority will give written consent before the Family member may participate.

o. Parks, picnic areas, and playgrounds. These areas are used for diverse recreation activities, ranging from natural, underdeveloped areas to large facilities and areas including lakes, picnic pavilions, playing fields, amphitheatres, miniature golf, and nature centers.

p. Rod and gun centers. These centers promote safe hunting, fishing, and shooting, and offer opportunities to develop and improve skills. Included are trap and skeet, archery, rifle, and pistol activities. They may offer other related services (such as instruction, hunting and fishing license sales, and snack and center related resale operations). The following rules apply—

(1) Physical security of firearms, ammunition, and explosives will comply with AR 190–11 and AR 710–2. Established inventory accountability procedures and appropriate measures to preclude loss, theft, or accidental destruction will be used. Monthly physical inventories of all firearms, by serial number, and all ammunition and explosives will be conducted in accordance with DFAS-IN 37-1 Regulation, Chapter 32. A joint physical inventory of all firearms, ammunition, and explosives will be conducted upon any change of center manager. These provisions apply equally to firearms and ammunition owned by the center and those privately owned and stored in MWR facilities.

(2) Centers located in the United States, its possessions, and Puerto Rico that import firearms or ammunition directly from a foreign dealer or manufacturer will be subject to a Federal firearms tax of 10 percent on pistols and revolvers and 11 percent on all other firearms and all ammunition, in accordance with Federal law (26 USC 4181).

(3) Centers that sell firearms or ammunition, or transfer firearms or ammunition to other MWR programs, are licensed as dealers by the Federal Bureau of Alcohol, Tobacco, and Firearms (ATF). Applications for dealer licenses are coordinated through the installation Staff Judge Advocate (SJA) and submitted to the servicing ATF regional office which maintains license application forms and issues dealer's licenses and renewals. Both the Gun Control Act of 1968 (18 USC 921–928) and the ATF regulations implemented by Title 27, Code of Federal Regulations, Part 478 (27 CFR 478), impose these requirements.

(4) Firearms may be loaned or rented to eligible patrons for use in associated shooting. Ammunition provided to a patron as part of the rental fee for a firearm is not considered a sale and does not require a dealer's license.

(5) Sales of firearms are limited to eligible patrons who are residents of the State in which the installation is located. (For purposes of this regulation, military personnel permanently assigned to the installation are considered residents. Otherwise, exceptions are coordinated with the SJA or regional ATF office before the sale is made.) Rifles, shotguns, and ammunition are not sold to persons under 18 years of age; handguns and handgun ammunition are not sold to persons under 21 years of age. For all firearm purchases, patrons must complete ATF F 4473 (Firearms Transaction Record) to verify that they do not fall in the categories listed below. Failure to tell the truth about any category is a felony and punishable as a Federal offense. Firearms and ammunition of any kind will not sold to—

(a) Anyone under indictment for or convicted of a crime punishable by imprisonment for a term of more than one year.

(b) Fugitives from justice.

(c) Unlawful drug users.

(d) Any person adjudged mentally defective or a person who has been committed to a mental institution.

(e) Illegal aliens.

(f) Anyone with denounced citizenship.

(g) Anyone receiving a dishonorable discharge.

(h) Persons with a disqualifying misdemeanor conviction of domestic violence pursuant to the Lautenberg Amendment to the Gun Control Act of 1968, 18 USC 922.

(6) Sale and use of firearms and ammunition overseas will comply with the provisions of status of forces and other applicable international agreements. Overseas IMCOM Regions will ensure that controls and restrictions on the sale of firearms and ammunition are at least as stringent as those that apply to CONUS installations and include appropriate procedures in implementing guidance. Otherwise, sales of firearms and ammunition will conform to the laws of the State in which the installation is located and to Federal legislation. Appropriate local practices are developed in coordination with the installation SJA.

(7) The sale of alcoholic beverages is authorized on a case-by-case basis and only when approved by FMWRC, with concurrence through command channels. A risk assessment must be completed by the command with all local safety precautions addressed prior to submission to FMWRC. See paragraph 10–3 for policy on by-the-drink sales. Food and other beverages may be sold. Resale merchandise will be limited to items that are related or incidental to hunting, fishing, archery, and target shooting.

(8) All firearms transactions will be recorded on ATF F 4473. These records will be kept permanently at each shooting/rod and gun center and are subject to examination or inspection by ATF agents. Sales will be recorded in chronological order and numbered consecutively. The servicing ATF regional office will be notified of planned disestablishment or consolidation of any MWR program holding an ATF dealer's license. Notification will be made at least 30 days prior to planned disestablishment or consolidation. For disestablished programs, all required ATF records referenced herein will be furnished to the regional ATF office. If consolidation with another MWR program, records will be transferred to that program.

(9) Records of invoices for any ammunition received and sales receipts for all ammunition sold (27 CFR 478.125) will be retained for at least 2 years. Sales records for handgun ammunition and ammunition that is interchangeable between rifles and handguns will be maintained separately in a bound book, in chronological order, by date of sale. The bound book will not be required for sale of shotgun ammunition or ammunition suitable for use only in rifles generally available for purchase.

q. Special interest groups. The development of special interest groups is encouraged, particularly for specialized, outdoor recreation programs such as archery, scuba, rock climbing, hunting, equestrian activities, fishing, and skiing. Emphasis is on instruction and introductory activities, which encourage novice participation.

r. Equestrian programs. Equestrian facilities house either Government-owned/-leased or private mounts or both and offer resale services. Community recreation stable operations offer a range of services, to include lessons, trail rides, hayrides, and stagecoach rides for a service fee. The boarding of private mounts, not to exceed 35 percent of available stable space, for a fee is authorized. When the 35 percent limitation is exceeded, stables will operate as a category C MWR program. Veterinary service will be governed by AR 40-905.

s. Trails. Trails include both developed and undeveloped areas used for walking, hiking, biking, cross-country skiing, and related MWR programs.

t. Water programs.

(1) Water-based programs embrace a broad range of fresh and salt water-oriented activities to include swimming, jet skiing, water skiing, scuba, boating, snorkeling, clamming, and related activities. Lessons, instructional programs, and resale outlets may be offered. Participants and instructors will complete pertinent training/certification per activity to meet local, national, or State requirements. Comprehensive, documented SOPs that include daily operational guidelines, risk management, emergency response, call rosters, and so on, must be available for immediate review by all program operations personnel.

(2) The Director FMWR will ensure Red Cross certified waterfront lifeguards or equivalent lifeguards will be on duty at Army MWR water recreation areas that provide for swimming at all times during hours of operation. (This does not include lodging pools and does not include other water activities, such as boating, water skiing, jet skis, and other water crafts.) Surf beach lifeguards should be certified by the United States Lifeguard Association (USLGA). Hours of operation will be posted on a sign, in a handout flyer/brochure or advertised on the MWR website, and include the “from and to” hours of operation.

(3) The Director FMWR, in coordination with the garrison safety office, will ensure a risk analysis is conducted in accordance with AR 385-10 to determine the specific hazards for the beaches and lake areas. This applies in CONUS and OCONUS. Such hazards might include tide, current, undertow, drop-off, hidden underwater boulders. Appropriate controls will be established to lower the risk to an acceptable level. Control measures will provide for the protection of these personnel using recreational beaches and lake areas. The local SJA will advise on the effect that the local tort law has on the water safety measures. Paragraph 8-28 outlines policy for swimming pools. To ensure a high level of safety awareness, the following must be implemented as a minimum (at lakes, beaches, and ponds where swimming is allowed):

(a) Signs stating “When No Lifeguards are Present-Swim at Your Own Risk.”

(b) Signs listing water safety requirements and water hazards will be displayed.

(c) Signs stating that “No Diving is Allowed. There is an additional risk of head, neck and back injury when diving into shallow water or murky water.”

(d) Available lifesaving equipment such as ring buoys, reach poles, rescue tube/can and rescue board, or rescue jet ski.

(4) See paragraph 8-28 for training and rescue and safety equipment required for lifeguards.

(5) An emergency action plan must be exercised prior to the seasonal opening of swimming areas and practiced during the bi-weekly in-service training (see para 8-28c(3)(b)).

u. Winter programs. Winter programs include a wide range of activities: cross-country and downhill skiing, ice fishing, tobogganing, ice skating, ice climbing, and related activities. Services such as repair, ski waxing, equipment maintenance, lessons, and tours for a fee may be included.

8-26. Raffles

Raffles may be conducted to raise funds for MWR programs, subject to the following:

a. Raffle proposals will be reviewed in advance by the SJA for legal sufficiency. Raffles conducted in the United States must conform to State and local laws, unless conducted on installations under exclusive Federal jurisdiction. International agreements will apply overseas.

b. Advance written approval from the garrison commander will be required.

c. Unless otherwise approved by the appropriate IMCOM Region, the total retail value of all prizes awarded from the garrison MWR operating entity during any one fiscal year may not exceed \$20,000. Individual prizes may not exceed a retail value of \$15,000.

d. Raffle tickets, advertisements, and other raffle-related information will not be mailed through the U.S. mail unless raffles are authorized or not otherwise prohibited in the State in which held. Advertisements or other raffle-related information will not be broadcast on any radio or television station, and all promotions, ticket sales, and drawings will take place on the sponsoring installation.

e. Prize winners are advised of potential liability for Federal, State, or foreign taxes.

f. Purchasers come under these criteria:

(1) Only eligible patrons 18 years of age or older may participate.

(a) When the general public is invited to participate in an installation event and a raffle is part of the event, the public may purchase raffle tickets if authorized by law.

(b) Local nationals in overseas areas will not participate.

(2) Raffle tickets will not be resold or given to other than eligible individuals.

(3) Participation is voluntary. Coercive tactics to increase sales, such as making repeated solicitations or keeping lists of nonparticipants are prohibited.

g. Issuance of raffle tickets, stubs, and related documents will comply with AR 340–21.

h. Raffles will be structured to ensure that the sponsoring program at least breaks even.

i. The maximum number of tickets offered for sale will be stated on raffle tickets.

8–27. Sports and fitness

a. *Description.* Installation and unit-level intramural programs are designed for broad-based participation in a full range of individual and team intramural programs consistent with patron interest, availability of suitable facilities, unit missions, and climate. There are opportunities to enhance individual morale and unit esprit de corps, promote teamwork and cooperation, engage in competitive recreation, and to encourage individuals to attain and sustain high levels of physical fitness and physical readiness. Emphasis will be on group participation in unit and intramural sports with wide appeal, such as softball, volleyball, flag football, basketball, running, skeet, and soccer. Programming will include instruction, practice, and competition at all skill levels, starting with beginners.

b. *Guidelines.*

(1) *Participation.*

(a) Garrison commanders may allow Soldier participation in organized sports and athletic training programs, for fitness purposes.

(b) Other authorized patrons and Family members may participate in organized intramural sports leagues only when not enough military personnel are available to form teams for intramural league play. Such persons will not participate with military personnel in contact sports competition, such as boxing, martial arts, wrestling, handball, rugby, or football (with the exception of flag football leagues employing and enforcing strict noncontact rules, in accordance with the National Intramural Recreation and Sports Association).

(c) Children eligible to participate in CYSS sports programs will not be eligible to participate in intramural programs.

(d) Mixed participation by men and women in installation intramural programs will be subject to garrison commander discretion. Separate programs for each gender may be conducted. (This does not prevent the conduct of programs that lend themselves to mixed competition.) When there are separate programs, in any sport, participants will be assigned according to gender, and teams may not compete against teams of the opposite gender.

(e) Teams or individuals representing the Army will not participate in any sports event or exhibition where there is unlawful discrimination involving participants, administrators, or spectators because of race, color, religion, sex, national origin, disability, or age.

(2) *Activities of local affiliates of national governing bodies.* Athletic/intramural program managers and installation directors of sports and fitness may participate in activities of local affiliates of national governing bodies.

(3) *Sports officiating.*

(a) Sports officiating opportunities are open to all qualified applicants.

(b) Paragraph 13–12 outlines procedures for acquiring MWR goods and services with APFs. Decisions will be made in advance to use APFs for sport officiating services.

(c) The use of off-duty personnel or Government employees as sports officials will comply with Government regulations regarding the employment of off-duty military or civilian personnel as Government contractors, as specified in DOD 5500.07–R and ARs 215–3 and 215–4.

(d) The local SJA will review each contract regardless of dollar amount.

(4) *Safety.* Installation athletic/intramural program managers will coordinate directly with installation safety directors to arrange appropriate education and training programs. They will integrate applicable safety practices, prescribed by an applicable national governing body, into its athletic program to prevent athletic injuries to participants and collateral injuries to spectators. Athletic facilities, equipment, and spectator seating areas will be inspected regularly for adequate space and structural soundness. Other safety requirements include these guidelines:

(a) Professionals in boxing, judo, karate, and wrestling will not participate with amateurs but may act as coaches, trainers, officials, and managers.

(b) All Army sponsored boxers will wear competitive boxing head guards at all levels of competition and a foulproof protective cup and fitted mouthpiece when competing in amateur boxing events. A qualified medical doctor is required at ringside for matches.

(c) Eye protection devices approved by the national governing body are mandatory for individuals playing racquetball and handball.

(d) Metal-cleat shoes will be worn only for track and field events. Molded rubber-cleat shoes, all-purpose athletic shoes, gym or tennis shoes will be used for all other sports, with the exception of specialized shoes for sports such as hockey, sky diving, skiing, and so forth. The appropriate shoe will be on an approved list governing the respective sport.

(5) *Instructional programs.* Clinics and similar instructional programs for coaches and other unit and installation support personnel will be conducted annually.

(6) *Civilian team competition.* Competition with civilian teams is permitted subject to the following:

(a) If the Army team includes professional athletes, commanders conducting competitions will advise, in writing, representatives of the other service or civilian teams. Amateur athletes do not lose amateur status as a result of membership on any Army team composed partly of professionals, if the competition is for prizes other than cash or the equivalent.

(b) A competition sponsored by the Army on a military installation against a civilian team that includes professional athletes will be conducted as an exhibition for entertainment purposes only. Competition against professional athletes or civilian teams which include professional athletes may not be sponsored by the Army at a nonmilitary facility.

(c) A competition on a military installation that involves two or more civilian teams must be sanctioned by the national sports governing body or local affiliate having jurisdiction over the sport involved.

(d) When a competition conducted by civilian organizations involves payment of fees, commanders may approve funding and participation if it is sanctioned by a national sports governing body or local affiliate or the sponsor is a Federal, State, or local Government agency, an amateur sports organization, or an educational institution. One of the above criteria must be met. If the competition is a fundraiser, participation must be in accordance with AR 600–29 and DOD 5500.07–R.

(e) If the event is of local interest only and held within normal commuting distance of the installation as determined by the installation, the garrison commander may approve participation. IMCOM Regions may approve events conducted beyond normal commuting distance. If the event is of national or international prominence or overseas travel of participants from foreign countries is involved, approval will be obtained from FMWRC.

(f) Before entering Army personnel in any civilian competition, the effect on community relations, consistency with the Army Sports Program, and the nature and details of any commercial sponsorship will be considered carefully.

(7) *Organizational teams.* When personnel resources permit, commanders may form and train organizational teams to provide opportunities for Soldiers with advanced athletic skills to compete in athletic events. Events may include competitions against touring professional teams, such as the Harlem Globetrotters, and may be held for spectator entertainment purposes.

(8) *Locally sponsored sports events terms.* The terms “interservice” and “Armed Forces” will not be used in the title of locally sponsored sports events. Such terms will be used only for competitions sponsored by the Armed Forces Sports Council, a DOD agency.

(9) *Playing rules.* Generally, playing rules published by U.S. national sports governing bodies will be used for all competitions conducted within the Army. Table 8–3 is a listing of the U.S. national sports governing bodies. Otherwise, installations will use rules of any other recognized sports organizations, such as the National Federation of State High School Associations, the National Collegiate Athletic Association, the National Intramural-Recreational Sports Association, or the United States Slowpitch Softball Association. Overseas commands may use international rules, if appropriate.

Table 8–3
U.S. national sports governing bodies

Sport	Governing Body
Archery	National Archery Association

Table 8-3
U.S. national sports governing bodies—Continued

Sport	Governing Body
Badminton	U.S. Badminton Association
Baseball	U.S. Baseball Federation
Basketball	USA Basketball
Biathlon	U.S. Biathlon Association
Bobsled	U.S. Bobsled and Skeleton Federation
Bowling	U.S. Bowling Congress
Boxing	USA Boxing
Canoe/kayak	USA Canoe and Kayak
Cycling	U.S. Cycling Federation
Diving	U.S. Diving, Inc.
Equestrian	USA Equestrian
Fencing	U.S. Fencing Association
Field hockey	U.S. Field Hockey Association of America (Men's) U.S. Field Hockey Association (Women's)
Figure skating	U.S. Figure Skating Association
Golf	U.S. Golf Association (USGA)
Gymnastics	U.S. Gymnastics Federation
Ice hockey	USA Hockey
Judo	U.S. Judo, Inc.
Luge	U.S. Luge Association
Modern pentathlon	U.S. Modern Pentathlon Association
Racquetball	American Amateur Racquetball Association
Roller Skating	USA Confederation of Roller Skating
Rowing	U.S. Rowing Association
Rugby	USA Rugby Football Union (USARFU)
Shooting	National Rifle Association
Skiing	U.S. Ski Association
Soccer	U.S. Soccer Federation
Softball	Amateur Softball Association
Speed skating	U.S. International Speed Skating Association
Swimming	U.S. Swimming, Inc.
Synchronized swimming	U.S. Synchronized Swimming, Inc.
Table tennis	U.S. Table Tennis Association
Taekwondo	U.S. Taekwondo Union
Team handball	Team Handball Federation
Tennis	U.S. Tennis Federation
Track and field	USA Track and Field
Volleyball	U.S. Volleyball Association
Water polo	U.S. Water Polo

Table 8-3
U.S. national sports governing bodies—Continued

Sport	Governing Body
Weightlifting	U.S. Weightlifting Federation
Wrestling	USA Wrestling
Yachting	U.S. Sailing Association

(10) *Prohibition against use of drugs by participants.* All persons involved in athletic training or competitions will be prohibited from using any drugs or medication to improve athletic performance. The consumption of alcohol by athletes participating in athletic events or competitions just prior or during the competition is prohibited. This policy will apply to all persons who are assigned, detailed, or who volunteer their services to the Army Sports and Fitness Program in any capacity whatever (for example, competitors, coaches, administrators). All persons involved in the Army Sports and Fitness Program will sign a statement that they understand and will comply with this policy. This policy does not apply to opposing civilian teams or individuals competing against Army sponsored teams.

c. Program levels. Sports and Fitness Program levels are addressed in the paragraphs that follow. See chapters 5 and 13 and appendix D for additional funding policies.

d. Unit activities. Comprehensive unit level sports programs will be developed and conducted in accordance with local MWR program policy and this regulation. Community recreation fitness staffs will coordinate the use of facilities and equipment and set up an extensive intramural athletics program in both team and individual sports. Unit athletics are for active duty Soldiers only (to include Army Reserve and ARNG Soldiers when activated) and may be conducted during both duty and off-duty time.

e. Intramural activities. Garrison commanders will develop intramural training programs to supplement unit level activities. Intramural athletic programs are usually conducted during off-duty hours between teams on the same installation; however, they may compete with teams of other installations when available resources permit. Civilians may participate when there are not sufficient military personnel but may not compete above the intramural level.

f. Installation, regional, and IMCOM Region competitions/events. (The ARNG sports program is governed by ARNG policies and regulations.) IMCOM Regions may conduct installation, regional, or IMCOM Region-level competitions/events as follow-on to installation intramural athletic programs. This may include athletics that lead to departmental, national, or international competition. IMCOM Regions may grant subordinate commands authority to place military participants on permissive TDY for assembly and training for a maximum of 30 days prior to a championship competition. Individuals or teams representing installations may participate in IMCOM Region or regional-level competitions/events if they qualify as follows:

(1) They have participated in an installation intramural program. Reassignment, permanent change of station, or reenlistment will not prevent a Soldier from competing.

(2) The unit or garrison commander must approve of individual or team participation.

(3) Local NAFs may be used for travel and per diem expenses at athletic competitions/events hosted by IMCOM Regions or installations. Use of local NAFs must be approved by the responsible commander.

g. Departmental-level and Armed Forces competition.

(1) Departmental and Armed Forces competitions, conducted periodically in selected sports, offer higher level competition for accomplished Soldier-athletes who meet the following criteria:

(a) Prospective candidates must be on active duty and authorized by immediate commanders to participate. Participation in a leave status will not be authorized. Completion of scheduled military training will not be delayed.

(b) All participants must be amateurs as defined by the appropriate national governing body.

(c) Minimum qualifications for track and field will be determined by the National B Standards found at www.usatf.org. Golf applications will include individual handicaps certified by a golf course manager or golf home course professional. Bowling applications will include scratch averages certified by the bowling center manager or league secretary. The minimum average considered is 200 for men and 170 for women in 21 or more league games.

(d) Trial camp selection will be based on performance in current military and civilian competitions, records, and reports of the national governing body, recommendations of Sports and Fitness directors or coaches, and athlete statements. FMWRC will make selections for departmental and Armed Forces sports programs.

(e) Army personnel may not represent another service; members of the other services may not represent the Army in departmental, Armed Forces, national, or international competitions except as members of a composite Armed Forces team.

(2) The following are criteria for applying to competitions:

(a) Departmental-level sports competitions, including dates and locations of trial camps and competitions, will be announced annually by FMWRC.

(b) Participants will be selected by FMWRC to train and compete for positions on Army teams. Applications will be submitted as discussed below.

(3) Soldiers of all IMCOM Regions may submit their application through their chain of command to their installation sports and fitness director, who will forward them to FMWRC. Applications will be submitted to FMWRC with an information copy provided to the respective supporting sports office. Application deadlines will be announced annually by FMWRC.

(4) The application form is DA Form 4762 (Athlete's Application). The responsible commander's concurrence is indicated on DA Form 4762.

(5) Costs of planning and conducting trial camps and Armywide competitions will be borne by FMWRC. Transportation, travel, and per diem (TDY) costs for Army trials and competitions will be funded as follows:

(a) Responsible commanders will arrange for transportation to and from the airport of departure for the training site. Per diem or miscellaneous expenses are as prescribed in the administrative instructions published for each sport.

(b) Per diem or miscellaneous expenses while at the training site and return travel to original airport of departure are paid by the host installation's IMCOM Region single MWR fund from NAFs made available by FMWRC.

(6) Armed Forces competitions conducted periodically by the Armed Forces Sports Council include individuals or teams selected by FMWRC to represent the Army. Participation is based on results of Armywide competitions to the extent feasible. When not practical, FMWRC will announce separate qualifications, selection criteria, and related procedures.

h. National and international competition. Exceptional Soldier athletes may be nominated by the Armed Forces Working Group or selected by national sports governing bodies to participate in prestigious national and international competitions. Such competitions include the Conseil International du Sport Militaire competitions, Pan American and Olympic Games, world championships, and other international amateur sports events considered suitable by the Department of State.

(1) Policy governing the participation of U.S. Armed Forces personnel in national and international sports competitions is derived from DODI 1330.04 and ensures that the United States is adequately represented in international competition.

(2) The U.S. Army Human Resources Command, in coordination with FMWRC, may waive the requirement for completion of scheduled military training on a case-by-case basis.

(3) Athletes notified directly by a national sports governing body or national coach of selection for training or competition must immediately inform FMWRC.

(4) Priority is given to the service team in situations when an athlete is selected to compete in national competitions where an all-Army composite team or Armed Forces team is also competing, unless the athlete is on annual leave or released by FMWRC.

(5) An athlete selected for international sports competition inside or outside the United States must obtain a country clearance through FMWRC Armed Forces Sports before participating. Overseas IMCOM Regions may grant country clearances for their personnel. Detailed information and requirements are in AR 55-46.

i. Mailing address. Documentation required to be forwarded to FMWRC will be sent to Commander, Family and Morale, Welfare and Recreation Command (IMWR-CRS), 4700 King Street, Alexandria, VA 22302-4418.

j. WCAP. The WCAP provides an opportunity for Soldier athletes of world-class caliber to train for national and international sports competitions leading to selection to United States national teams. The WCAP is conducted over a 3-year period prior to the start of scheduled Olympic Games. Participation is limited to athletes who have attained a high national ranking in a sport, or have been selected to a U.S. equivalent-level team and must meet established selection criteria. Applicants must sign an agreement to incur 1 additional year of their service obligation for each year serving in the WCAP program. This is in addition to any other service requirements. This additional service obligation will begin either upon release from WCAP or completion of any remaining service requirement, whichever occurs later.

(1) *Active component Soldiers.* Application packets must contain DA Form 4187 (Personnel Action) and DA Form 4762 (Athletes' Application) and applications must be submitted through their chain of command to Commander, WCAP Detachment, Sports Specialists, Building 1662, Fort Carson, Colorado 80913.

(a) Enlisted personnel must submit a copy of their Enlisted Record Brief; NCOs must submit copies of their three most recent evaluation reports (ERs) (this may include academic ERs as well as NCO ERs).

(b) Officers must submit a copy of their Officer Record Brief and copies of their three most recent ERs (this may include academic ERs as well as officer ERs)

(c) Additional supporting documentation includes—

1. Two letters of recommendation or endorsement from qualified individuals not related to the applicant (for example, coaches, supervisors, academic advisors, counselors, or teachers).

2. Listings of events with dates, sites, and results; newspaper clippings; civilian resumes, that will permit proper evaluation of the individual's athletic abilities and experience.

3. Proof of eligibility (U.S. citizen) to represent the United States at the Olympic Games.

(2) *RC Soldiers (USAR and ARNG)*.

(a) ARNG application packets will be submitted through the Soldier's State Adjutant General for review and forwarding to FMWRC.

(b) USAR application packets will be forwarded through the Soldier's U.S. Army Reserve Command to the USAR commander for review and forwarding to FMWRC.

(c) RC application packets will include applicable forms and all other supporting documentation required in paragraph 8-27j(1)(c)1 all forms and information listed in subparagraph a, above. In addition, these packets also must include a completed and approved DA Form 1058 (Application for Active Duty for Training, Active Duty for Operational Support, and Annual Training for Soldiers of the Army National Guard and U.S. Army Reserve) and a statement by the unit commander, approved by the State Adjutant General of the USARC commander, indicating they understand and acknowledge that the Soldiers will be placed on active duty through the Olympics and a position will be available for the Soldier to return to upon release from WCAP. Additional documentation may be required and can be found at www.armymwr.com/portal/recreation/sportsandfitness/application.

(3) *Military training*. Enlisted Soldiers must complete basic training and advanced individual training before entering the program. Officers must complete the Officer Basic Course. Soldiers scheduled to attend, including those en route to advanced civil or military schooling, may enter after completing courses and any Service obligations incurred.

(4) *Release of Soldiers from WCAP*. WCAP will release Soldier-athletes shortly after the conclusion of the Olympic Games for which they are training. WCAP will release Soldiers who do not qualify for the Olympic Games when it is known they will not be named to the Olympic team. Soldiers may request release from WCAP at any time. WCAP will release Soldiers who do not meet their athletic or military benchmarks. WCAP will release soldiers who sustain injuries or ailments which in the professional opinion of qualified medical authority preclude the athlete from being competitive at the elite level. Qualified health care professionals will evaluate every injured Soldier-athlete and prescribe an appropriate time frame within which to carry out a rehabilitation program. If a Soldier-athlete is unable to train or compete because of noncompliance with the prescribed treatment plan, or because medical treatment was refused, the Director of Sports Medicine will recommend release from WCAP. WCAP will release Soldiers who fail to uphold the standards and ideals of good sportsmanship or military discipline.

(5) *Soldier responsibility*. All Soldiers assigned to WCAP will receive and sign a memorandum outlining requirements to maintain their military careers while assigned to the program. National rankings and international competition will not interfere with normal military progression. All WCAP personnel are Soldiers first.

k. Presidential Sports Award Program. An incentive for maintaining high standards of individual fitness, this program recognizes those having made a commitment to fitness through regular participation in sports. Participation may include unit, intramural, IMCOM Region, and departmental sports programs.

(1) Detailed information is available from the Amateur Athletic Union at Amateur Athletic Union, c/o Walt Disney World Resort, P.O. Box 10000, Lake Buena Vista, Florida 32830-1000.

(2) As this program is self-supporting, a fee for emblems, pins, and certificates must accompany each application. Fees will be paid by the participating individual or the IMCOM Regional single MWR fund for active duty military personnel, if approved by responsible commanders.

8-28. Swimming

a. Description. Army swimming programs promote fitness and recreation. Swimming programs may include learn to swim, lifeguard training, fitness programs, competitive swimming, water safety, military survival training, and recreation.

b. Funding. The level of funding will be determined by the functions performed. Aquatic facilities used primarily for military aquatics, physical fitness, combat training, and therapy, and aerobic activities (category A) will be supported with APF. Recreational aquatic facilities (not attached to or located in a fitness center) that provide modern amenities such as sprays and structures and used for lap swimming and other recreational activities (category B) will be authorized substantial APF support. Aquatic centers that include commercial grade water theme parks, both indoor and outdoor, will receive limited APF support (category C).

c. Lifeguards, aquatic instructors, and pool staff requirements.

(1) Certification requirements for swimming pools are current nationally recognized certifications in lifeguarding; basic first aid; and cardiopulmonary resuscitation. Current certifications are required for facilities with automated exter-

nal defibrillator and oxygen administration. Lifeguards on coastal beaches must also be specifically trained in surf rescue techniques. Lifeguards on beachfront areas must also be specifically trained in beachfront techniques. The following are additional training requirements for lifeguard and aquatic staff:

(a) One lifeguard or staff member for aquatic facility operations must possess a current Aquatic Facility Operator Certification.

(b) Pool operation and sanitation will be per TB MED 575.

(c) Prevention of disease transmission orientation will be per 29 CFR 1910.1030.

(d) Automated external defibrillators will be per TIB 01–12–17.

(e) Hazardous material (HAZMAT) training, if handling pool chemicals will be per DODI 6050.05.

(2) Surveillance duty will consist of the following:

(a) A minimum of two certified lifeguards must be on duty in the facility during all operational hours to perform water rescue operations. To determine the total number of lifeguards required for water observation, one lifeguard is required every 2000 square feet of water surface or one lifeguard is required for every 120 feet of pool perimeter.

(b) During structured swimming program, such as competitive swimming, water exercise classes, swim lessons, and physical education classes, one certified lifeguard must be on duty. A lifeguard is required to provide surveillance for all programs, to include programs that are supervised by an instructor, teacher, or coach with or without certification.

(c) In addition to subparagraph (a), above, an additional lifeguard is required after the first 150 patrons and each additional 50 patrons thereafter.

(d) All lifeguards on surveillance duty will adjust position by standing, kneeling, walking, or other activity every 5 minutes to ensure maximum lifeguard vigilance. Lifeguards will have a 10-minute break from surveillance duty every hour. Station rotation will be executed between 15 and 30-minute intervals.

(e) When alcoholic beverages are permitted, enough lifeguards will be added to reduce the swimmer-to-lifeguard ratio to 20-to-1 or less.

(f) Lifeguards will have a proper uniform to include a uniform or distinguishing suit; whistle; first aid fanny pack with rescue pocket mask; and disposable gloves (latex or nonlatex).

(3) Additional training will include the following:

(a) Each lifeguard will complete a swimming distance of no fewer than 500 yards per duty day. This training is to ensure peak physical readiness for safety of all staff and patrons.

(b) Each military swimming facility will conduct mandatory in-service training or on-site rescue training/drills (to include emergency action plan drills) prior to the seasonal opening of swimming areas and a minimum of 1 hour each 2-week period of employment. Installations may obtain sample rescue drill procedures from FMWRC.

(4) Each swimming facility, guarded beach, and waterfront must have the lifeguard equipment listed below accessible to staff at all times:

(a) Back board made of marine-grade wood, polyethylene plastic or other durable plastic, with arm, torso, and leg immobilization straps and a separate head and neck immobilization system.

(b) Rescue tube (one per guard on surveillance duty).

(c) Automated external defibrillator.

(d) HAZMAT equipment.

(e) First aid medical kit with mouth-to-mouth resuscitation mask and disposable gloves (latex or nonlatex).

(f) Phone.

(g) Whistle with lanyard.

(h) Umbrella.

(i) Hat.

(5) Each swimming pool facility must have a U.S. Coast Guard approved ring buoy on deck. Ring buoys must have at least 40 feet of line and a foot loop or lemon (flotation buoy) to prevent overthrow and loss of the buoy. For guarded beach and waterfront areas, each lifeguard station must have a ring buoy. Swimming areas enclosed by a dock must have a rescue pole. If reaching and throwing rescues alone will not cover the swimming area, each lifeguard station must have a rescue can, board, or boat.

(6) The following guidelines apply to flotation aids, toys, and aquatic equipment in swimming pools only:

(a) Properly fitting U.S. Coast Guard approved personal flotation devices, types I, II, or III, are allowed during open recreation swim periods.

(b) Pool or aquatic toys approved by the pool manager may be used during special events.

(c) Appropriate training devices and aquatic equipment may be used during classes, team practices, or fitness training.

(7) All youth must follow facility rules. Youth may use pools and aquatic centers under provisions below:

(a) Children 12 years old and under as Family members must be under the supervision of a parent or guardian.

(b) Children may be participants in a special program organized and conducted by CYS, schools, or other authorized youth organizations.

(c) Children of kindergarten age and older will use gender appropriate showers, locker rooms, and bathrooms.

(8) Smoking, food, and beverage limitations are explained below:

(a) Smoking will be prohibited at all indoor and outdoor aquatic facilities to include pools, water parks, and water front areas.

(b) Eating or drinking closer than 10 feet from pool edges is prohibited.

(c) Glass containers in pool, waterfront, and beach areas are prohibited.

(9) Water turbidity and clarity will be determined by a turbidity disk or the main drain. The object must be visible for the lifeguard to distinguish it at all distances up to ten feet.

d. Lifeguards at lodging facility pools. Staffing requirements applicable to MWR lodging facility pools, such as AFRCs, inns, motels/hotels, cabins, cottages, and Army lodging program facilities where the swimming pool is an ancillary activity of the lodging facility are as follows:

(1) A risk assessment will be conducted to determine risk factors and effective protective measures to control identified risk. The risk management process is explained in AR 385–10. The risk decision document will define normal operating conditions such as hotel occupancy percentages and demographics of the clientele. When hotel usage is outside normal operating conditions, the risk assessment will be revised and the commander will reconsider the risk decision. For example, if a high school band convention uses the facility or a large military reunion is scheduled, the expected pool usage exceeds normal operating conditions.

(2) MWR lodging and Army Lodging Program facility pools will adopt the State or country standard for staffing of pools associated with lodging facilities located in the State or country.

(3) Absent any State or country standard, lifeguards will be required.

(4) An individual trained and certified in cardiovascular pulmonary resuscitation will be required to be on shift and available at the lodging facility whenever the pool is open.

(5) An individual will be designated and trained in pool sanitation, prevention of disease transmission, and HAZMAT.

(6) A written plan on first responder/emergency procedures in the event of patron water incidents will be required.

(7) The local SJA will advise on the effect that the local State tort law has on the water safety measures.

(8) The minimum standards below will also apply, with the exception of paragraph 8–28c(8)(b).

(a) Conspicuous signs stating, “No Lifeguards—Swim at Your Own Risk” and signs listing water safety and pool safety requirements, include pool operational hours, will be posted. Hours of operation must include the “from to” swimming hours and posted on a sign, in a handout flyer/brochure, or advertised on the pool or local MWR website. Signs must be visible from all angles of the pool area. Pool access will be prohibited during pool nonoperational hours. The pool will be observed once each hour by the lodging facility staff when the pool is operational.

(b) Signs requiring adults to accompany children under a certain age as determined by the installation child supervision policy will be posted.

(c) Readily available lifesaving equipment will be available, such as ring buoys and reach poles.

(d) An easily accessible emergency phone will be accessible in the immediate pool area. To prevent abuse, the emergency phone should be a “no dial” to the local “911 only” or to the local emergency call center if the 911 number is not local.

(e) A written plan and schedule will be provided to the Safety and Preventive Medicine Offices to ensure the water quality checks are performed, pools are kept clean, and filter/chemical equipment are operated and maintained properly.

e. Lifeguards at outdoor recreation water-based programs. See paragraph 8–25 for safety requirements for outdoor recreation water-based programs, such as at beaches and lake areas.

f. Equipment. In addition to the above mentioned equipment, the provisions of the Virginia Graeme Baker Pool and Spa Safety Act (PSSA) apply to swimming pools, wading pools, and spas, operated on Army garrisons either directly or by contract. Provisions apply to those pools and spas used for the recreation and benefit of members of the Armed Forces and their Family members and other authorized patrons and their Family members (see paras (1) and (2), below). The provisions of the PSSA do not prohibit uses which officially benefit the Armed Forces (as opposed to “members” of the Armed Forces). The term “official benefit of the Armed Forces” is limited to the use of a pool or spa for members of the Armed Forces who are engaged in military operations and/or organizing, administering, recruiting, instructing, or training other members of the Armed Forces. This does not include recreational use for Family members or for Soldiers.

(1) Each pool and spa must be equipped with anti-entrapment devices or systems that comply with American Society of Mechanical Engineers (ASME)/American National Standards Institute (ANSI) A112.19.8 performance standard or any successor standard. Pools and spas with a single main drain other than an unblockable drain must be equipped, at a minimum, with one or more of the following devices:

(a) Safety vacuum release system that conforms to ASME/ANSI standard A112.19.17 or American Society for Testing and Materials standard F2387.

(b) Suction-limiting vent system with tamper-resistant atmospheric opening.

(c) Gravity drainage system that utilizes a collector tank.

(d) Automatic pump shut-off system.

(e) A device or system that disables the drain.

(f) Any other system determined by the Consumer Public Safety Commission to be equally effective or better than those listed above.

(2) The Directorate of Public Works at each garrison is responsible for the procurement, installation, inspection, and certification of equipment required to meet the ASME/ANSI A112.19.8 standard.

8–29. Unit-level programs

Unit-level programs are authorized APF support as category A mission essential programs. They include unit activities that maintain mission readiness, improve unit teamwork, and create esprit de corps. Esprit de corps may include such activities as welcome home celebrations. IMCOM Regions or unit NAFs may be used for those services not authorized APF support (such as food and beverages) or for those services that are authorized APFs and APFs are not available. Certification of nonavailability of APFs is required from the APF resource manager prior to use of NAFs.

Section III

Operation of Programs at Closed Installations and Unauthorized Programs

8–30. Closed installation policy

The following applies to the continued operation of MWR programs after the installation has ceased to have a full-time active duty mission.

a. IMCOM Regions will make the final determination to continue to deliver MWR programs on closed installations to serve the remaining active duty population on the former installation and in the immediate area even though the installation no longer has a full-time active duty mission. Primary consideration is given to the active duty population. However, use by all authorized patrons may be considered based on facility capacity and program requirements.

b. MWR programs will complement the local community reuse plan and have written local community support from the local government(s) in the immediate area surrounding the closed installation. MWR programs may be delivered in a wide variety of alternatives. In-house MWR owned and operated, arrangements with outside enterprises through partnership programs with the surrounding communities, and contracts are all acceptable methods for delivery of MWR programs.

c. The closed installation will be over 20 miles from another installation or a Government-owned or -contracted housing area authorized MWR support. If the active installation is fewer than 20 miles from the closed installation, the active installation's MWR program must be able to accommodate the additional patronage from the closed installation.

d. Construction or expansion of MWR facilities will not be required. Sustainment, restoration, and modernization and minor construction on existing facilities will be allowed when justified. Excess capacity will not be artificially created through unnecessary continuation of existing programs or construction or modification of facilities.

e. As with continued operation of all MWR programs, patron demand will be determined by market analysis to measure sales, market trends, patron affordability, and the ability to maintain financially viable programs. The scope of the program will be commensurate with the remaining active duty force and other authorized patrons in the market area.

f. The requirement for APFs will be commensurate with the size of the active duty population using MWR programs. IMCOM Regions will ensure annually that minimum patron requirements are met under this criterion.

g. When the installation no longer has active duty or reserve personnel remaining on the installation, all MWR programs will be closed.

8–31. Unauthorized activities

The following programs and activities are not authorized within MWR programs:

a. Lotteries or sale of lottery tickets.

b. Pull-tab bingo.

c. Sale of firearms or ammunition, except in rod and gun programs, outdoor recreation programs, shooting sports centers, skeet and trap programs, or other MWR category B programs as determined by the local commander.

d. Sale or redemption of chit books related to the sale of alcoholic beverages.

e. Award of coupons for reduced prices on alcoholic beverages or tobacco products.

f. Sale of State excise tax-free tobacco products through vending machines (see tobacco vending machine policy in chapter 13).

g. Grey area gambling devices. These devices are unlawful under the provisions of 15 USC 1171 and cannot be operated on Federal property in the United States and Puerto Rico. Determining factors as to whether a game is a gambling device or an amusement machine include—

(1) If skill alone determines whether or not the player wins, the game is most likely legal.

(2) If skill plays no part in whether or not the player wins, the game is most likely unlawful.

(3) In cases where both skill and chance determine the game outcome, the predominance of chance versus skill is the determining factor (if the game is chiefly a game of chance, the game is unlawful and considered a grey area gambling device.)

(4) The presence of coin chutes, credit meters, reel strips, and capability of payouts in the form of cash or prizes indicates an unlawful grey area gambling device.

Chapter 9

Mobilization, Contingency, and Wartime Operations

9–1. Responsibilities for providing moral, welfare, and recreation

a. This section contains responsibilities for MWR during exercises, mobilization, deployment, contingency operations, combat, maneuvers, redeployment, and demobilization. More detailed MWR responsibilities for battalion, brigade, division, corps, theater, and installation/garrison are outlined in FM 1-0. Baseline services are provided to all three Army components through Army OneSource. Access to resources and information about Army OneSource can be found online at: <http://www.myarmylifetoo.com/>.

b. MWR support is mission funded during war and other conditions covered in this chapter. MWR programs are necessary to maintain physical fitness and to alleviate combat stress by temporarily diverting Soldiers' focus from combat situations. Commanders of deployable units, active Army, and RC will ensure that MWR support for mobilization, contingency, and wartime operations is planned in peacetime and included as a priority in the mobilization/deployment process. Emphasis on MWR programs may vary with the tactical situation and are adapted to suit conditions. At the same time, active duty and deployable USAR and ARNG Soldiers and civilians must believe with some degree of certainty that Family members left behind in CONUS or safe havens will receive necessary services.

c. Unit commanders must assume a major responsibility for their own recreation, especially during early stages of deployment. Each unit is responsible for acquiring, assembling, and shipping its own 30-day supply of A&R and library book kits as well as operating athletic activities, recreation programs, unit lounges, and AAFES Imprest Fund Activities (AIFA). Commanders ensure successful and continuing recreation programs by providing MWR staffing and logistical support.

d. Supporting guidance and MWR responsibilities are in other publications, as follows:

(1) MWR doctrine, FM 1–0, appendix H.

(2) Mobilization doctrine, FM 100–17.

(3) Supporting and procedural guidance for exchange field operations is provided by AAFES.

(4) Army Mobilization and Operations Planning and Execution System, Appendixes 8 (Family Assistance) and 9 (MWR) and Annex E (Personnel).

(5) Child Development Services, AR 608–10.

9–2. Staffing

a. Commanders may identify appropriate civilian positions on the MOB TDA to be prepared to deploy into the theater of operation to support recreational requirements. Identification of individuals is based on the number of personnel available, local requirements after units deploy, and the needs of the deployable unit. Personnel in these positions are battle rostered to the brigade or larger sized units. They may deploy with the unit to accomplish higher staff MWR responsibilities and will assist unit A&R officers/NCOs in planning and executing MWR programs, supply, equipment, procurement, transportation, maintenance, training, and USO liaison and act as DOD touring show coordinators.

b. IMCOM Regions will pre-identify emergency essential MWR specialist positions and will comply with procedures set forth in DODD 1404.10 for filling emergency essential (E–E) positions. Once they have determined requirements for MWR support in crisis situations, commanders will request MWR support for the deployment through the Deputy Chief of Staff, G–3 (DCS, G–3). Tasking orders for emergency essential MWR specialists will be issued for the specific job series and grades of the required positions.

c. For designated MWR civilians, necessary personnel actions will be coordinated with servicing CPAC–NAF.

d. Division, corps, and Army headquarters will execute recreation programming, financial management, business operations, transportation coordination, and supply in support of the MWR deployment mission. The theater Army component headquarters, through the theater PERSCOM, will provide administration, logistical, financial, and accounting support and management control oversight for MWR programs in the theater.

e. Until deployed, all associated logistical support and civilian personnel costs will remain the responsibility of the parent installation. Once deployed, MWR specialists are battle-rostered to the theater command staff and paid for with operations funds, to include special in-theater differentials (hazardous duty). If NAF MWR specialists are used, operations funds will repay the NAF account using DOD MWR USA/UFM funding practice rules. This allows temporary backfill of the affected position using respective IMCOM Region single MWR funds.

f. Commanders of deployable/deployed company, battalion, and brigades will appoint an officer or NCO as the unit A&R officer/NCO. The unit A&R officer/NCO, assisted by the MWR specialist, serves as the focal point for the unit MWR program, responsible for unit MWR supply, equipment, transportation, and training. Upon deployment, the MWR specialist and unit coordinator will supervise unit activities and operators (AIFA, unit lounge, recreation area).

g. MWR recreation personnel (APF or NAF) from installations not affected by deployment may volunteer. Other alternatives to MWR specialists include the World-Wide Individual Augmentation System and contract personnel. Contracting of additional personnel will be through IMCOM/FMWRC.

9–3. Training

MWR specialists will undergo training as coordinated with installation CPAC–NAF and FMWRC. Unit A&R officers/NCOs will be trained by MWR specialists. Training includes recreation programming, operation of unit lounges, and establishment/maintenance of corps/division/brigade packages and unit A&R kits. Local AAFES managers furnish AIFA materials and training for coordinators and specialists. Other training materials are provided by FMWRC.

9–4. Kits and other supplies

a. MWR A&R kit equipment tailored to unit needs are requested for procurement and maintained locally. Items that can be deployed with the unit to support unit, self-directed recreation activities include, but are not limited to, music listening equipment, cards, board games, balls and bats, volleyballs, badminton, and horseshoes. Some small games and athletic equipment are available through normal Army supply channels. Common Table of Allowance (CTA) 50–909, table 53, lists recreation kits—athletic, recreation, and small games kits. Corps/division/brigade MWR service-level kits, in addition to A&R items, include larger items such as VCRs, TVs, computers, computer games, weights, karaoke, and keyboards. All MWR kits are authorized APF expenditures.

b. Commanders will be responsible for periodic inspection, packaging, and transportation of kits, and assign priority in unit loading plans to ensure timely arrival in the theater. Nonexpendable items will be accounted for on unit property books as deployable equipment.

c. Books and periodicals will be provided by the following entities:

(1) Garrison MWR libraries will provide each deploying unit a 30-day supply of paperback and audio book kits for leisure reading, which units transport and distribute.

(2) FMWRC will provide additional paperback and audio book kits directly to units deployed over 30 days and magazine/newspaper kits when operations continue beyond 3 months. The method of distribution will be determined by FMWRC with input from receiving units. Funding will be provided by the unit for magazines/newspapers. When feasible, unit funds will purchase local newspaper subscriptions for direct mail.

d. Free motion pictures and videos will be provided by AAFES in combat and other remote overseas areas (AR 2158). Units will provide TVs, VCRs, and projectors from mission funds.

9–5. Other programs in contingency and combat operations

a. Deployed troops receive entertainment in coordination with USO and Armed Forces Entertainment (AFE). After deployment, civilian entertainment will be requested by unit commanders through the Senior Army component commander in the area of responsibility or the Joint Task Force Commander, who will forward requests to AFE and endorse security certification and logistical support for civilian entertainers in deployed areas.

b. Existing military clubs in the theater will continue to operate if conditions warrant. New ones may be situated in secure areas (rest areas and R&R centers) after an MWR program is established. Services will include food, beverage (alcoholic beverages, if approved by the theater commander), entertainment, and other recreation, and check cashing and currency conversion as determined by the tactical situation. The theater will provide oversight of NAF, management controls, and club activities. Goods and services will be procured from the most advantageous source.

c. Unit lounges may be established in active theaters or areas of operation during mobilization, contingency operations, and wartime. Operational and management controls, a theater responsibility, will be established similar to those for military clubs. The theater commander may authorize a recreation center to provide food and beverages and activities available normally in clubs. SOPs provided by the parent installation will be used in the absence of theater guidelines.

d. To provide Western-style services in a secure area, the following types of rest centers will be authorized:

(1) Rest areas in theater or corps areas, established by commanders of Army units, give Soldiers a short respite from combat or combat support duties. Rotation, including transportation, is normally less than 1 week. Soldiers will have as many services as the commander can logistically secure and support. Assets to establish and operate a rest area will come from unit resources.

(2) Based on theater needs, DOD R&R centers may be established. Resorts and other suitable facilities located at a reasonable distance from combat areas outside the theater of operation may be identified as R&R destination sites by the theater commander. Subsequent to DOD approval of a theater request, program execution is a theater responsibility.

(3) AFRCs.

(a) If feasible, existing AFRCs within the theater of operation may be designated to function as rest areas. Existing support agreements between FMWRC and appropriate theater commanders will be amended for extraordinary mission requirements. TDA support for AFRCs is limited to command supervision; any additional people will be provided by the theater commander.

(b) AFRCs outside the theater of operation may be designated for use as R&R centers. FMWRC equips AFRCs to support R&R requirements to include billeting, food and beverage, and Western-style recreational opportunities.

e. ARMP may continue service within authorized theaters of operation, subject to availability of facilities and civilian employees. Upon evacuation of civilian employees, the local commander may assume operational responsibility for both machines and operations, once a modified ARMP SOP is provided by FMWRC. Upon suspension of the program or closure of facilities, NAFs are deposited or funds and equipment retrograded in accordance with ARMP SOP or applicable property disposal regulations.

f. Commanders will work with the USO to establish USO Service Centers and the AFE for celebrity entertainment. The civilian recreator or unit A&R officer/NCO will serve as liaison with USO to support joint MWR services.

9-6. Financial operations

a. *Garrisons.* Any impact to any MWR program as a result of contingency operations (for example, expansion of MWR programs because of backfill of reserve units or increase in use of Family programs (youth and child care) or decrease in use of MWR programs as a result of deployment) will be mission funded with APFs to the fullest extent authorized. IMCOM Regions electing to use their NAF resources to support contingency-impacted MWR programs will not be reimbursed from the AMWRF. NAF expenditures are limited to those expenses where nonavailability of APFs are certified to, as required by chapter 5, and for resale operations. IMCOM Regions have the flexibility to cross level NAFs in order to assist severely impacted garrisons. The cross leveling of funds is a balance sheet entry and affects cash and fund equity.

b. *In-theater MWR.* All categories of MWR programs will be mission funded with APFs per FM 1-0, Appendix H. This does not include resale operations, such as the purchase of alcohol or other merchandise or services for resale. The expenditure of NAFs as outlined above will apply. A theater MWR operating entity may be established in accordance with chapter 3 and in coordination with the theater Army comptroller. Requests for initial NAF support may be requested from FMWRC, through the IMCOM Region, at Commander, Family and Morale, Welfare and Recreation Command (IMWR-FM), 4700 King Street, Alexandria, VA 22302-4406. Requests will be forwarded by the theater Army component with an estimate of the total number of deployed Soldiers being supported, justification for the request, and the amount of NAF required. A local bank account will be established prior to transfer of NAFs.

9-7. Garrison services

a. Garrisons of deployed units will continue to offer basic MWR programs as long as possible during all levels of contingency operations/mobilization. Program restructure through reallocating resources, detailing personnel, and redirecting ongoing programs toward a larger Family member population may be necessary. Commanders may close or curtail programs and reallocate MWR facilities and equipment for tactical use at any time after all other alternatives have been considered. If closed, facilities may be reopened and programs reinstated as the situation stabilizes.

b. Garrison requests to suspend user fees may be approved by IMCOM Regions at any reasonable or appropriate point during contingency/mobilization operations.

c. IMCOM Regions and garrisons, both CONUS and OCONUS, contingency/mobilization plans will be followed for restructuring MWR programs by establishment, modification, termination, and/or reestablishment of services.

(1) Plans will include specific details on the disposition of funds, property, and records; release, addition, or diversion of personnel; maintaining essential and prudent management controls; and expansion or increased use of facilities.

(2) OCONUS plans designate E–E civilians; release of noncombatants during noncombatant evacuation operation (NEO); a MOB TDA; facility closure procedures; temporary facilities, prepositioned MWR supplies and equipment, and transportation within theater.

d. A MOU with the off-post community will be developed to use existing community services as needed.

9–8. Redeployment/demobilization

Upon redeployment or demobilization, NAF accounts will be closed correctly. Garrison MWR operating entities will be disestablished as necessary, and MWR equipment in theater accounted for. MWR equipment issued to units in theater will revert to the theater NAFI.

a. Any unit funds provided from theater NAFI resources or respective IMCOM Region resources will revert to the providing NAFI/Region upon redeployment of the unit.

b. MWR operations will consolidate or close as the number of Soldiers diminish. Funds, property, and records will be properly accounted for and turned in. Rest areas and R&R centers will request and receive equipment and supply disposition instructions from FMWRC or the theater NAFI in areas that have a continuing MWR program.

c. Theater Army and corps staffs will establish and implement policies for MWR equipment turn-in and redeployment. These policies will ensure that supplies and equipment turned in are used in support of any residual forces. Funds, property, and records will be properly accounted for and turned in per above policies.

d. Prior to closing the theater NAFI, a separate unit fund to support any residual forces will be established. Funds will be furnished from the theater or requests for funding are forwarded to FMWRC. The Army component commander will ensure that the residual force is fully supported with MWR equipment and supplies. Units will keep all items that they have procured or signed for unless the unit is located in an established OCONUS IMCOM Region. Ownership will remain with the OCONUS IMCOM Region. Accountability will be in accordance with standard Army supply procedures.

e. As required, after-action MWR reports are forwarded to the Commander, Family and Morale, Welfare and Recreation Command (IMWR–PO), 4700 King Street, Alexandria, VA 22302–4419.

Chapter 10 Alcoholic Beverages

10–1. Age restrictions

a. In the United States, no person under 21 years of age will be employed to dispense, handle, or serve alcoholic beverages unless permitted by the laws of the State in which the installation is located. In such cases, the State minimum age laws may be followed (10 USC 2683).

b. Outside the United States, no person under 18 years of age will be employed to dispense, handle, or serve alcoholic beverages. A higher serving age will be based on international treaties and agreements and on the local situation as determined by the garrison commander.

c. In the United States, the minimum age for all persons for purchasing, drinking, or possessing alcoholic beverages to include low content alcoholic beverages, will be consistent with the law of the State in which the installation is located. The senior commander may request an exception to the State minimum drinking age, if such commander determines that the exception is justified by special circumstances. Approval of exceptions must be requested through command channels to the ACSIM. The ACSIM will coordinate exceptions with the Deputy Chief of Staff, G–1 (DAPE–HR–PR), 300 Army Pentagon, Washington, DC 20310–0300. Exception may apply to Soldiers and DOD civilians and spouses, as appropriate. Special circumstances may include—

(1) Substantial risk of increased incidence of intoxicated driving by Soldiers to or from a jurisdiction with the lower drinking age (State or international borders). To qualify for this exception, an installation must be within approximately 50 miles of 1 hour’s driving time of the neighboring border with the lower drinking age. The sole factor is the motor vehicle safety of the community.

(2) Foster camaraderie and friendship in a military environment that appeals to the military community, such as those infrequent, non-routine military occasions when an entire unit, as a group, marks a uniquely military occasion at a military installation such as the conclusion of arduous military duty or the anniversary of the establishment of a military service or organization.

Note. For a one-time special event to be held on a military installation, the senior commander may authorize underage Soldiers (those not meeting the State age restrictions) to drink alcohol. The senior commander will ensure that appropriate controls are in place to prevent endangering Soldiers or the surrounding community.

d. The minimum drinking age for all persons on an installation located outside the United States is 18 years of age. Decision on a higher minimum age is based on international treaties and agreements and the local situation as determined by the senior commander.

e. Military personnel may purchase, possess, and consume “nonalcoholic” beer and wine (containing less than one half of 1 percent alcohol) on post even though the State classifies these products as an alcoholic beverage.

10–2. Locations where alcoholic beverages may not be consumed

Alcoholic beverages will not be consumed in, on, or at any of the following, except as stated in paragraphs 10–2*f* and 10–2*g*.

- a.* Skill development facility (such as arts and crafts, woodworking, photo, auto crafts shops).
- b.* Child, youth and school services facility or functions.
- c.* Library.
- d.* Basic combat training (BCT) and advanced individual training barracks.
- e.* Army aircraft, vessel, or other motorized vehicles, unless approved by FMWRC.
- f.* Recreation centers. Only malt beverages and wine may be consumed in recreation centers upon written approval of the garrison commander for any of the following:
 - (1) On special occasions.
 - (2) When food service (snack bar) is available in centers that are used predominantly by Soldiers.
 - (3) When food service is not available (though food service is recommended) in centers that are used exclusively by Soldiers and authorized civilians of legal age.
- g.* Troop dining halls and civilian MWR programs supported by NAFs. If approved by the garrison commander and other restrictions are satisfied, these programs may provide malt beverages. Wine, however, is restricted to special occasions approved by the garrison commander.

10–3. Alcohol consumption locations

a. The following categories of alcoholic beverages may be consumed or purchased as follows, unless prohibited in paragraph 10–2:

- (1) Malt beverages, wine coolers, and other alcoholic beverages with an alcohol content of less than 7 percent—
 - (a)* By the drink at—
 - 1. FB&E activities, to include military clubs, AFRC hotels, and the Hotel Thayer.
 - 2. Other MWR food-related operations such as those located in golf and bowling facilities, cabaret/dinner theaters, and rod and gun activities.
 - 3. Civilian post restaurants and their activities.
 - 4. Overseas MWR programs approved by IMCOM Regions.
 - 5. Exchanges, including exchange cafeterias and snack bars, and exchange outlets in enlisted barracks and dining facilities (except BCT and advanced individual training barracks).
 - (b)* Packaged at—
 - 1. Military clubs and other authorized MWR programs. Sales for off-premise consumption are at prices no less than AAFES and restricted to time periods when AAFES-operated retail activities, which sell packaged beverages, are closed. Package sales of beer and wine products incidental to party contracts or takeout food/beverage operations are exempt from this requirement. Takeout beverage sales are limited to sales of six-packs unless exceptions are coordinated with AAFES and approved by FMWRC.
 - 2. Package beverage stores (Class Six).
 - 3. Other exchange outlets approved by the garrison commander.
- (2) Distilled spirits, wine, and other alcoholic beverages with an alcohol content of 7 percent or more—
 - (a)* By the drink at—
 - 1. FB&E activities to include military clubs.
 - 2. AFRCs.
 - 3. MWR programs such as golf, bowling, rod and gun activities, and cabaret/dinner theaters, if approved by the garrison commander. FMWRC must review documentation for rod and gun programs (see para 8–25). Documentation will be submitted through command channels.
 - 4. Other overseas MWR programs approved by the IMCOM Region.
 - 5. Civilian post restaurants when approved by FMWRC.
 - (b)* Packaged at—
 - 1. Package beverage stores (Class Six).

2. Other AAFES outlets such as shoppettes, Four Seasons, and main exchanges, when approved by the garrison commander.

3. AFRCs, as part of room service. Sales are limited to registered guests only.

4. The Thayer Hotel may sell only miniatures over the bar to registered hotel guests for consumption in their rooms.

b. Packaged alcoholic beverages may be sold in Army lodging rooms when—

(1) Guests serve themselves.

(2) Bottles or cans are sealed and stored in a cabinet or refrigerator.

(3) Distilled spirits are sold in 2-ounce or less bottles. Malt beverages, wine, and premixed cocktails are sold only in 12-ounce or less bottles or cans.

c. Managers at Army lodging facilities will take necessary action to ensure no underage patrons will have access to alcohol stocked in rooms.

(1) Before assigning rooms stocked with alcohol, clerks will verify patron's age by visibly checking a valid photo identification card.

(2) Every attempt will be made to assign underage patrons to a room where no alcohol is stocked. If no other options exist, keys to locked cabinets or honor bars will not be issued to these patrons. Underage patrons will not be denied a room based on nonavailability of alcohol-free rooms.

(3) Patrons who meet minimum age restrictions for alcohol consumption but have underage Family members with them will be reminded that allowing their underage Family members to consume alcoholic beverages in Army lodging rooms violates Army policy. Anyone caught violating this policy will be reported to the Military Police and asked to vacate the lodging facility immediately.

d. Concessionaires may sell alcoholic beverages in MWR programs authorized to sell alcoholic beverages (see also chapter 13, para 13–18a(5)).

e. When an MWR program is operated by AAFES under an agreement approved by FMWRC, AAFES may sell any alcoholic beverage authorized to be sold in that activity provided the garrison commander approves. This includes such agreements as the Class VI Transfer of Function Agreement and local agreements for AAFES operation of MWR food and beverage service at places such as golf courses and bowling centers.

f. The retail sale of alcoholic beverages by an activity or agency is prohibited unless authorized herein.

10–4. Catering

a. MWR programs authorized to sell alcohol may sell and serve alcoholic beverages at parties or events catered at locations on the installation where the consumption of alcoholic beverages is authorized. This authority includes providing alcoholic beverages at installation functions, in permanent concessions, by management contracts at golf courses, and as required for dinner theaters, cabarets, supper clubs, and similar activities.

b. When approved by the garrison commander and in accordance with this chapter, other MWR programs, post restaurant funds, and AAFES may cater alcoholic beverages with less than 7 percent alcohol at authorized locations on the installation.

c. In the United States, there is no transporting of any alcoholic beverages off the installation for use at off-post catered functions. Outside the United States, IMCOM Regions will determine off-post catering policy.

10–5. Purchaser use

a. Individuals authorized to possess alcoholic beverages on an Army installation may serve the beverages to their families and bona fide guests.

b. Packaged alcoholic beverages from package stores—

(1) Are for the personal use of authorized patrons and their immediate Family.

(2) May be purchased by an authorized patron for another authorized patron.

(3) May not be transferred to unauthorized personnel.

(4) May be presented as gifts to other eligible package store patrons. In overseas areas, IMCOM Regions may establish policies on gifts to comply with local social customs.

10–6. Procurement

a. Alcoholic beverages containing distilled spirits for resale on an installation located in the contiguous United States, including the District of Columbia, will be purchased from the most competitive source, with price and other factors taken into consideration.

b. Alcoholic beverages containing distilled spirits for sale on a military installation in Alaska or Hawaii will be purchased from, and delivery will be accepted from, a source within the respective State in which the installation is located.

c. Malt beverages and wine for resale on an installation in the United States will be purchased from, and delivery will be accepted from, a source within the respective State in which the installation concerned is located (including the District of Columbia).

d. Alcoholic beverages that are not purchased by a program may be sold in the program only if—

(1) A vendor or sales representative furnishes it for a promotional event or tasting.

(2) Members of foreign armed forces on duty with the U.S. Government, a foreign embassy, or any international organization recognized by the United States offer it under the following conditions:

(*a*) The alcoholic beverage is a lawfully introduced duty-free import.

(*b*) Title to the beverages is not passed to the activity or any other Army activity.

(*c*) Duty-free beverages are served only at approved special functions, to personnel affiliated with the group, embassy, or organization, and their bona fide guests.

e. A NAFI/entity may contract for special label or special brand alcoholic beverages only when approved by the IMCOM Region.

f. IMCOM Regions may approve the sale of alcoholic beverages to overseas embassy associations of the U.S. Government, if requests for support contain an official authorization from the ambassador or designee. The IMCOM Region will notify AAFES of its approval.

10-7. Transporting alcoholic beverages

a. Individuals may transport alcoholic beverages off an Army installation only as allowed by State and local laws. An individual who violates the law may be indicted and prosecuted in a Federal, State, or local court.

b. Alcoholic beverages are transported onto an Army installation or introduced into an Army activity only when—

(1) Movement from the point of entry on the installation or to the program is not prohibited by Federal law or, for alcoholic beverages consigned to individuals, by State or local law or regulation or when transported in a properly registered NAFI/entity owned vehicle.

(2) Movement is not contrary to the policies of this regulation.

(3) The person transporting the beverages is—

(*a*) An adult eligible to purchase alcoholic beverages.

(*b*) An employee of a NAFI/entity-supported program authorized to sell or serve alcoholic beverages, if used in a NAFI/entity program function.

(*c*) An employee of a commercial firm who is delivering the beverages to authorized programs.

(*d*) A foreign military person on duty at the installation or program.

(*e*) An official of a foreign embassy or international organization recognized by the United States when the beverages are to be used in an installation program or private quarters.

c. All persons transporting alcoholic beverages from or to Army installations or programs are individually responsible for knowing and following State and local laws governing the movement of alcoholic beverages.

10-8. Controls

a. In addition to the provisions of AR 215-3 and AR 570-4, no military member or APF employee will be assigned to dispense or serve alcoholic beverages except as specifically authorized in other regulations. This does not prohibit enlisted personnel employed by a NAFI/entity in accordance with AR 215-3 from dispensing or serving alcoholic beverages during off-duty hours.

b. Garrison commanders will conduct programs to discourage irresponsible use of alcoholic beverages and to further use the garrison alcohol and drug office technical guidance.

c. All personnel who dispense and serve alcoholic beverages are employees of a NAFI/entity except as noted in paragraph 13-18a(5).

d. All employees involved in selling alcohol will be trained within 30 days of hire/assignment and then at least annually on subjects such as the effects of alcohol, how to identify intoxication, and what to do when a person becomes intoxicated. To accomplish this training, managers use Alcohol Sellers Intervention Program (ASIP) or other approved programs, copies of which may be obtained from FMWRC at the address in paragraph 10-12. The alcohol and drug control officer, SJA, and provost marshal personnel will assist with training. Installation personnel offices will assist management in developing a method of ensuring that ASIP training is completed within the required time limits and documented in employees' personnel folders.

e. Giving alcoholic beverages as prizes is prohibited, with the exception that if approved by the garrison commander wine products may be given by military clubs to eligible club patrons to accompany dinner on their wedding anniversaries, birthdays, and similar occasions.

f. Serving more than one alcoholic drink at a time for consumption by a customer or serving alcoholic beverages to intoxicated patrons is prohibited.

g. Reduced prices or providing unlimited alcoholic beverages for MWR promotional programs, such as happy hour, will be prohibited. This is intended to prohibit only reduced pricing and not the events themselves. Programs will not feature open bar promotions where the price of the event includes unlimited alcoholic beverages or monthly drink specials where the price of an individual drink is reduced. Programs may conduct food promotions where the price of an alcoholic beverage is included in the meal/event, such as a beef and burgundy; however, customers will be given a choice of a nonalcoholic beverage substitute.

(1) As an exception, garrison commanders may authorize limited reduced pricing when—

(a) It is available in the local community.

(b) Regular MWR prices are within 80 percent of the average of comparable local facilities' regular pricing.

(c) Reductions are at rates similar to those offered in the private sector, but not greater than 50 percent.

(d) Reduced prices apply to all beverages, not just alcohol, and are limited to well brands and selected call brands and not premium or specialty products.

(e) Offered not more than once per day and no longer than 2 hours per day or 10 hours per week, and not carried over to the next day.

(f) Promotion material does not draw undue attention to reduced pricing.

(2) This exception authority will not apply to contract functions nor supersede other sections of this regulation such as stacking drinks, using standard recipes, sensitive item inventory requirements, and so on.

(3) Reduced price beverages will be restricted to designated bar and lounge activities and are not authorized in food and beverage operations such as snack bars, recreation centers, swimming pools, sports fields, special events, kiosks, carts, or mobile food service.

(4) Bulk purchases at reduced pricing will not be authorized.

h. When military personnel are cited or arrested for violation of a civil or military law relating to the use of alcohol, garrison commanders will comply with the provisions of AR 600–85. Army policy and blood alcohol standards, related to driving after or while consuming alcoholic beverages, are in AR 190–5.

i. Garrison commanders will make available, particularly during holiday seasons, designated driver programs, Dial-A-Ride, or other suitable programs to help reduce or eliminate alcohol-related incidents and to promote responsible social behavior. Garrison commanders should encourage program promotion to the fullest extent possible through post newspapers, bulletins, membership newsletters, or other available means.

j. Programs selling alcohol will have food available during alcohol sales hours. When prepared foods are not available, snack items will be available either for purchase or at no charge.

10–9. By-the-drink sales

a. When serving by the drink—

(1) Standard recipes will be used for preparing all mixed drinks.

(2) A schedule of days and hours for dispensing alcoholic beverages will be posted in each outlet. In setting scheduled hours, the garrison commander will consider the local situation, including duty requirements and all authorized patrons.

(3) A sign, printed list, or beverage menu showing the prices of alcoholic beverages will be available at each bar and/or table of an outlet.

(4) Unless otherwise authorized by this regulation, only malt beverages, wine, wine coolers, premixed cocktails, and miniature liquor (2 ounces or fewer) are sold by the bottle.

(5) Management controls for MWR operations are in accordance with this regulation, AAFES regulations for AAFES operations, and other appropriate DA policy (for example, AR 11–2).

(6) Promotions will adhere to the following criteria:

(a) In-house promotions, such as coupons, bag stuffers, free samples, or any other similar means of offering free or reduced-price alcoholic beverages to promote or advertise the sale or consumption of specific brands of alcoholic beverages are not authorized.

(b) Commercial promotions are authorized unless directed exclusively at the military community; that is, promotions, such as those typically available to the general public in the private sector are permitted unless otherwise prohibited by this or other regulations.

(c) Bona fide beverage tastings, either in-house or commercial, are authorized.

b. When menus or catering brochures offer food or dessert items that contain alcohol as a separate ingredient, serving or catering staff will advise patrons of alcoholic content and offer nonalcoholic substitutions if customers request.

c. Privately owned alcoholic beverages will not be brought into any facility where alcoholic beverages are sold by the drink, with one exception: military clubs may permit members of foreign Armed Forces on duty with the U.S. Government or members of foreign embassies and international organizations recognized by the United States to bring lawfully imported, duty-free alcoholic beverages into clubs for special commemorative occasions. In these cases, a corkage or setup fee to offset expenses and ensure a reasonable profit may be charged, and beverages will be consumed/used only by members of the group or organization and their bona fide guests.

10-10. Alcoholic beverage sold in bulk

- a. A schedule of days and hours of sales will be posted in outlets.
- b. In the United States and Puerto Rico, the following information is displayed conspicuously in each sales outlet:
 - (1) Alcoholic beverages are for the personal use of authorized patrons. Reselling or giving beverages as a gift to anyone other than an eligible package store patron is prohibited.
 - (2) The exact quantity of tax-free alcoholic beverages that can be transported legally into or through the State, district, or territory.
- c. Promotions will adhere to the following criteria:
 - (1) In-house promotions, such as coupons, bag stuffers, free samples, or any other media used to promote or advertise the sale or consumption of specific brands of alcohol are prohibited.
 - (2) Commercial promotions are authorized for package stores if the same type of promotion is available to the general public in the private sector.
 - (3) Bona fide beverage tastings, either in-house or commercial, are authorized.
- d. Contingency sales or receipting for alcoholic beverages are prohibited.
- e. All patrons desiring to purchase from a package store will provide proof of their eligibility to purchase before a sale is made. Requiring identification for entry to a package store will be a local command decision.
 - (1) Patrons in full regulation uniform will need no identification unless there is doubt as to duty status or age.
 - (2) Sales personnel will check credentials of nonuniformed patrons to make certain that each individual is entitled to store privileges.

10-11. Packaged alcoholic beverage sales

- a. As agreed to between the Army and AAFES in a Transfer of Function Agreement, AAFES is responsible for the administration, operation, and management of package stores. FMWRC grants any exceptions.
- b. Package stores may sell alcoholic beverages, soft drinks, snack items, beverage-related products such as glasses, utensils, mixes, ice, cigarettes, and AAFES merchandise.

10-12. Establishing package stores

- a. Outside the United States, IMCOM Regions will establish policy on where package stores are to be located on an installation.
- b. In the United States, the sale of package alcoholic beverages, other than alcohol with an alcohol content of less than 7 percent, is permitted at installations approved by the SA. Before authorizing a package store, the SA will consider many factors but primarily the importance of package store profits to provide, maintain, and operate MWR programs, to lighten the financial burden on Soldiers, and support and complement community programs for Soldiers and their Families. The SA also considers other factors such as—
 - (1) The estimated number of authorized patrons.
 - (2) Availability of wholesome Family social clubs to military personnel in the local civilian community and limitations on nonmilitary sources.
 - (3) Geographical inconveniences.
 - (4) Disciplinary and control problems caused by restrictions imposed by local laws and regulations.
 - (5) Highway safety.
 - (6) Location and distance of nearest package store and reasons that the use of that facility is not feasible.
 - (7) A digest of the attitudes of community officials, local businesses, and civic organizations toward establishment of a package sales outlet. This digest consists of a summary of any written comments received from individuals and agents such as local mayors, heads of prominent civic groups, or chambers of commerce, State legislators, members of Congress, or other Government officials. The names of the community authorities and civic organizations, including the circumstances of the contacts and the dates on which they occurred are forwarded unless letters from local contacts are submitted. Speculative assessments of prospective community attitudes will not satisfy this requirement.

c. Garrison commanders wishing to establish sales outlets for package alcoholic beverages (other than alcohol with an alcohol content of less than 7 percent) may perform the required review or request the local AAFES exchange manager to perform the required review in paragraph 10–12*b*. The garrison commander will forward the request and documentation listed in paragraph 10–12*b* through command channels to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR–BP), 4700 King Street, Alexandria, VA 22302–4404. After approval by the SA, DOD and Congress are notified and the garrison is informed of the first day on which sales may be made.

d. Garrison commanders are authorized to establish additional outlets locally as long as they are on contiguous installation property.

e. Approval above the garrison level is not required for outlets selling alcoholic beverages with an alcohol content of less than 7 percent, whether or not contiguous.

10–13. American wine in overseas package beverage stores

Package beverage store managers on garrisons located outside the United States will ensure that wines produced in the United States are given, in general, equitable distribution, selection, and price, when compared with wines produced by the host nation.

a. Each package beverage store will designate and prominently identify a specific selection(s) of shelving for the display of U.S. wines.

b. For the purpose of compliance, there are four categories of wine: table/dinner, sparkling, dessert/aperitif, and wine coolers.

c. Package beverage stores carrying host nation wines in any of these categories will ensure that an equal number of American wines are carried in that same category.

d. For special host country wines that are classified as “Chateau,” “Estate,” or “Vintage” and that are generally high priced and limited in sales volume, a representative number of (but not fewer than five) American wines will be carried.

e. The percentage of markup on American wines will be equal to or less than the percentage of markup on host country wines.

f. This policy does not apply if there is a conflict with a SOFA or host nation agreement.

10–14. Rationing

a. AAFES continually reviews the amount of alcoholic beverages bought in sales outlets and the number of authorized purchasers served. When per capita sales are deemed excessive, garrison commanders may then ration per capita purchases.

b. When rationing policies are imposed, four copies of the local regulation governing rationing are forwarded to HQDA to the Deputy Chief of Staff, G–1 (DAPE–HR), 300 Army Pentagon, Washington, DC 20310–0300, for review and approval before rationing begins.

10–15. Alcohol labeling

a. To afford military personnel stationed overseas the consumer health protection available to those in the United States (PL 100–690, The Alcoholic Beverage Labeling Act), health warning labels are required on all package containers of alcoholic beverages for resale to our service members, including foreign package alcoholic beverages, served or consumed within programs located on Army installations. Products provided to U.S.-based programs are labeled by the manufacturer, distributor, or importer.

b. Programs purchasing from non-U.S. sources in overseas areas have three options:

- (1) Ensure that contracts for non-U.S. products require compliance.
- (2) Do not carry products from noncomplying companies.
- (3) Self-apply labels to bottles.

c. Specific health warning requirements are—

(1) All containers of alcoholic beverages in liquid form that contain not less than one-half of 1 percent of alcohol by volume and are intended for human consumption supplied to Army programs will include the following health warning statement on the brand label or separate front label, separate and apart from all other information: **GOVERNMENT WARNING:** (1) According to The Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery and may cause health problems.

(2) Container is defined as the innermost sealed container, regardless of the material from which it is made, in which an alcoholic beverage is placed by the bottler and in which such beverage is offered for sale.

(3) All labels will be designed in a manner to make the health warning statement readily legible under ordinary conditions, and the statement is on a contrasting background. The words “GOVERNMENT WARNING” are capitalized in bold type. The remainder of the warning statement will not appear in bold type.

(4) The size of the statement will be—

(a) For containers of 237 milliliters (8 ounces) or less, in script, type, or printing no smaller than 1 millimeter with a maximum of 40 characters per inch (2.54 centimeters).

(b) For containers of more than 237 milliliters up to 3 liters (101 ounces), in script, type, or printing no smaller than 2 millimeters with a maximum of 25 characters per inch (2.54 centimeters).

(c) For containers of more than 3 liters, in script, type, or printing no smaller than 3 millimeters with a maximum of 12 characters per inch (2.54 centimeters).

(5) Labels not an integral part of the container will be affixed to the containers in such a manner that they cannot be removed without thorough application of water or other solvents.

10–16. Cooperation with State and local officials

Garrison commanders will cooperate with local, State, and Federal officials whenever necessary. Cooperation, however, does not include permitting State control on a Federal installation or acknowledgment of any legal obligation to submit to State control, pay State or local taxes, or purchase alcoholic beverages within defined geographic boundaries, at specific prices, or from suppliers prescribed by any State, except as provided by this regulation.

10–17. Requests for information

Installations, through the public affairs office, may provide information related to alcoholic beverage sales, if the information is available and its release does not violate the provisions of AR 25–55 or AR 340–21. All relevant costs are borne by the requester. Requests for information on AAFES sales are forwarded to the local exchange manager for response.

10–18. Taxes

See chapter 4 for alcohol beverage taxes.

Chapter 11

Advertising and Commercial Sponsorship

Section I

Advertising

11–1. Morale, welfare, and recreation and nonappropriated fund instrumentality advertising

MWR programs communicate their presence and the availability of goods and services they offer to as many potential patrons as they can. Such communication will not reflect unfavorably on the DOD, the Army, other DOD components, or the Federal Government.

a. Armed Forces publications.

(1) MWR programs may contribute articles and stories for publication as unpaid information items in post newspapers, plan-of-the day, AFRTS, installation cable TV, and other media intended primarily for distribution to authorized patrons. Commercially sponsored MWR events may be mentioned with other pertinent facts in news stories and announcements. Event titles using the name of commercial sponsors may be included if newsworthy and if the use clearly meets Army needs.

(2) MWR programs may pay to advertise MWR goods, services, entertainment, and social events in the civilian enterprise media, including installation cable television. Brand names and item prices, feature acts, films, talent, admission price, or cover charges, and names of commercial sponsors may be included in MWR advertising. Such advertising will prominently display the phrase “PAID ADVERTISEMENT.”

b. Other than Armed Forces publications. MWR programs may pay to advertise their services and events in other than Armed Forces newspapers provided the chosen media is circulated to, written for, or geared to an audience consisting primarily of military or DOD personnel, or other authorized patrons. Such information may include sponsors’ names.

c. Commercial (private sector) media. MWR programs may pay to advertise in appropriate commercial (local and national) (includes internet) media when MWR special events are open to the private sector. Examples of MWR events include, but are not limited to, music concerts, athletic programs, Volksmarches, competitive runs, and American historical or traditional military events. Advertising of these events is subject to the following conditions:

(1) Events will not directly compete with similar events offered in the local civilian community. Events open to the private sector and event advertising will be coordinated in advance with the local public affairs office.

(2) Events open to the private sector must be infrequent, increase military civilian community interaction, and enhance community relations.

(3) Event-related merchandise may be sold. Food and beverages may be sold for on-premises consumption only.

(4) Community relations and public affairs open house events are command functions and not MWR events. Therefore, advertising for these PAO events will be conducted and resourced as prescribed in AR 360-1.

d. Statement. Advertising of MWR programs, services, or events that may be heard, seen, or read by other than authorized patrons will contain a statement similar to: "This offer/event is open only to authorized patrons—PAID ADVERTISEMENT." This phrase is not required for advertising MWR events that are open to the private sector as discussed above.

11-2. Selling advertising space in nonappropriated fund instrumentality/entity media

a. MWR programs and other NAFIs (see AR 215-8 for AAFES policy) may sell space for commercial advertising in any NAFI/entity media (printed, signs, electronic) produced for or prepared by them and may accept payment for such advertising.

b. Publication of paid commercial advertising by NAFIs/entities is bound by similar standards of propriety applying to civilian enterprise publications, as prescribed in AR 360-1. Those standards applying to NAFI/entity commercial advertising include the following:

(1) Advertising will be rejected if it undermines or appears to undermine an environment conducive to successful mission performance and preservation of loyalty, morale, and discipline. Some considerations in accepting advertising include the local situation, the content of the proposed advertisement, and the identity and reputation of the advertiser.

(2) Advertising will not contain anything in it that might be illegal or contrary to DOD or Army regulations, such as discrimination, prohibition against soliciting membership in private groups, endorsement of political positions, favoring one group over another group, partisan political items, political advertisements, and games of chance, including casinos and Indian tribe gaming.

(3) A supplement or insert with commercial advertising may be distributed with NAFI/entity media provided fair and equal opportunity is offered to organizations, businesses, or personnel to compete for this privilege.

(4) No advertising will be accepted from any establishment placed "off limits" by the commander.

(5) "Truth in lending" statutes will be met by consulting with the local SJA.

(6) Advertising will include a disclaimer that it does not constitute DOD, Army, or Federal Government endorsement.

c. Acceptance of paid commercial advertising on APF electronic media, such as AFRTS and the local commander's channel, is prohibited.

d. All commercial advertising agreements must be in writing and must receive legal review prior to entering into the agreement and prior to signature of the parties.

e. Advertising in NAFI/entity media is based on reaching authorized MWR patrons.

f. Mailings to authorized patrons are permitted using NAFs of the respective NAFI/entity. NAFI/entity print media will not be distributed to unauthorized patrons.

g. Good judgment will be used concerning acceptance of commercial advertising that may compete with MWR or other DOD programs.

h. The local garrison commander will make final decisions on acceptance of advertising and must consider public perceptions, impact to the local economy, and the effect on the local civilian enterprise newspaper, installation guide, and installation map.

i. Any prominent display of outdoor or electronic signage containing commercial advertising will comply with the installation Army Communities of Excellence standards and be coordinated with the installation engineers.

j. Acceptance of paid advertising from Defense contractors is permissible as long as the content of the advertising message is a patriotic message and not promoting a specific product and/or service.

11-3. Authorized personnel

a. Commercial advertising sale and the placement of event advertising in civilian media will be performed centrally by individuals designated in writing by the Command authorities, normally the FMWR director. Commanders should designate only the installation advertising/sponsorship coordinator to perform sponsorship solicitation and sales. The Command will forward designee's name, address, phone, and e-mail address to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-POM-C), Corporate Partnerships, 4700 King Street, Alexandria, VA 22302-4419.

b. MWR employees designated to work with the commercial advertising program must receive appropriate professional development training; at a minimum, designated employees should attend annual training conducted by FMWRC.

11-4. Reporting

Garrisons will forward through command channels, a fiscal year annual report of all advertising initiatives to FMWRC at the above address not later than 30 November. FMWRC will issue reporting guidance annually. At a minimum, the report will include—

- a.* Cumulative advertising revenue generated during the previous fiscal year.
- b.* Related program expenses, for example, salaries and supplies.

11-5. Website advertising

The policy applicable to advertising in general also applies to website advertising. NAF funded MWR websites may contain paid advertising. Websites must contain an appropriate disclaimer notice when exiting from Army MWR NAF funded websites and linking to a commercial advertiser's website.

Section II

Commercial Sponsorship

11-6. Definition

Commercial sponsorship is the act of providing assistance, funding, goods, equipment (including fixed assets), or services to an MWR program(s) or event(s) by an individual, agency, association, company, or corporation, or other entity (sponsor) for a specific (limited) period of time in return for public recognition or opportunities for advertising and other promotions.

11-7. Authorized programs

- a.* Commercial sponsorship will be either unsolicited or solicited but authorized only for MWR programs and events and the NAF component of Army Community Service (AR 608-1), to include Army Family Team Building (AR 608-48) and Army Family Action Plan (AR 608-47), which are closely associated with MWR programs.
- b.* The commercial sponsorship program does not include acceptance of volunteer services. Additionally, this program does not include nor refer to those products or services considered gifts or donations. MWR gifts policy is contained in chapter 13.
- c.* Military open house programs are primarily PAO activities and are not intended as MWR events. Therefore, commercial sponsorship is not authorized for military open house programs. Commercial sponsorship is authorized for MWR events held in conjunction with open houses only when specifically approved by the installation PAO.

11-8. Sponsorship conditions

Commercial sponsorship support of MWR is authorized under the following conditions:

- a.* Obligations and entitlement of the commercial sponsor and the MWR program are incorporated into a written sponsorship agreement that will be for a 1-year period or less. The period covered by the original agreement and any annual renewals will not exceed a total of 5 years. This does not preclude the award of a new agreement to the same sponsor after the initial 5-year period. All agreements will receive a legal review by the servicing legal office.
- b.* Advertising, publicity, or other promotional consideration provided to sponsors is commensurate with the level of sponsorship offered.
- c.* Special concessions beyond the terms of the sponsorship agreement are not provided to commercial sponsors. Individuals or entities not providing commercial sponsorship are not treated with disfavor and do not suffer any form of reprisal.
- d.* Appropriate disclaimers, such as "sponsorship does not imply Army endorsement," are required in any public recognition or printed material developed for sponsorship by either the MWR program or commercial sponsor, because the Army does not endorse or favor any commercial supplier, product, or service.
- e.* All sponsor-generated publicity and promotional material must be reviewed and approved by MWR prior to production and distribution.
- f.* Commercial sponsor advertising on APF and NAF-built MWR facilities, to include ball field fences and sports scoreboards, is authorized.
- g.* Agreements concerning broadcast rights to televise, air, or Web cast MWR events and associated pre-event publicity on commercial (private sector) television or radio are entered into only after coordination with Office of the Assistant

Secretary of Defense (Public Affairs) for DOD interservice events or Office of the Assistant Secretary of the Army (Public Affairs) for Army events. Requests for coordination are submitted to FMWRC at the address in paragraph 11–3.

h. MWR management will coordinate with AAFES management prior to entering into an agreement if commercial sponsorship proposals and agreements promise AAFES displays or signage and to ensure there is no impact to AAFES existing policies and practices.

i. Performance of sponsor(s) will be monitored during the course of agreement.

j. Sponsors are generally limited to firms and organizations involved with consumer products and/or services. However, firms involved with games of chance or gambling to include casinos and Indian tribe gaming will not be permitted as sponsors. In overseas areas, solicitation of non-U.S. firms is authorized with the commander's approval provided solicitation is not in violation of SOFA or other agreements.

k. Category exclusivity may be granted to a sponsor. Additionally, multiple sponsors may be obtained for any MWR program or event.

l. Military departments ensure commercial sponsors do not obtain personal contact from attendees at MWR programs or events without the express written consent of the attendee. Data collection is permissible only if data collection and/or entry forms include an opt-in clause. Such forms have to be reviewed by the Staff Judge Advocate. Only forms where the opt-in box is checked should be forwarded to sponsors.

m. Only MWR programs and those programs authorized in paragraph 11–7 may benefit from commercial sponsorship. Other command groups, units, private organizations, or unofficial activities or organizations are not authorized to use commercial sponsorship to offset program or activity expenses while operating on Government property.

n. Naming buildings/facilities and/or rooms with the sponsor name is not authorized. Instead, title sponsorship of MWR events may be offered to sponsors whose contributions are significant.

11–9. Written agreements

a. All commercial sponsorship agreements must be in writing and must receive legal review prior to entering into the agreement and prior to signature of the parties.

b. Provisions for termination of agreements, force majeure (such as acts of God), and assignment will be included in the written agreement.

c. The commercial sponsor will certify in writing that sponsorship costs will not be chargeable in any way to any part of the Federal Government. This certification may be a term of the sponsorship agreement or a separate document.

11–10. Solicited sponsorship

a. Solicited sponsorship will be competitively solicited from potential sponsors willing to support an MWR event/program for the mutual benefit of the sponsor and the MWR program.

b. The sponsorship professional must employ fair business practices when communicating with current and potential sponsors. Additionally—

(1) Sponsors will be solicited competitively from an adequate number of sources. In overseas areas, solicitation of non-U.S. firms is authorized with the commander's approval provided solicitation is not in violation of SOFA or other agreements.

(2) Solicitations must be announced.

(3) Multiple sponsorships for like or different products and/or services may be solicited.

(4) Evaluation of offers will be based on market value of services, goods, or cash offered and the event requirements. Appropriateness of potential sponsoring corporation must be considered.

11–11. Unsolicited sponsorship

a. Unsolicited sponsorship will be entirely initiated by the prospective sponsor. Receipt of an unsolicited proposal does not require the MWR sponsorship professional to contact other sources. After an inquiry from a prospective sponsor, the command's designated sponsorship representative may inform the prospective sponsors of MWR needs.

b. The Army will not solicit commercial sponsorship from companies in the tobacco, beer, or alcoholic industries; however, unsolicited sponsorship may be accepted. Sponsorship agreements with firms in the tobacco, beer, or alcohol industries will include a clause requiring a responsible use campaign (beer, alcohol) and The Surgeon General's warning (tobacco) incorporated into any print media.

11–12. Reporting

a. Garrisons will maintain a record of all MWR sponsored events/programs during each fiscal year, to include—

(1) The sponsor's name and organization.

- (2) Type of event/program sponsored.
- (3) Type and amount of the sponsor's assistance, funding, goods, or services provided, and
- (4) The disposition and use of that assistance, funding, goods, or services.

b. Garrisons will forward through command channels a fiscal year annual report of commercial sponsorship to FMWRC at the address in paragraph 11–3 not later than 30 November. The report will include—

(1) Value of commercial sponsorship, both cash and merchandise/in-kind services, with the cumulative cash total during the previous FY. Cash and services are broken out by solicited and unsolicited. Unsolicited will be further broken out by alcohol, tobacco, and other. Total cash sponsorship revenue reported will equal sponsorship revenue on garrison financial statements. FMWRC will issue reporting guidance annually.

(2) The annual report will include expenses directly related to the sponsorship program, that is, salaries, supplies, advertising, and so on.

11–13. Authorized personnel

a. Officials responsible for procurement or contracting will not be directly or indirectly involved with the solicitation of commercial sponsors. Such officials may advise, however, on whether vendors are barred from doing business with the Government. Although NAF contracting officers have no authority to approve commercial sponsorship agreements, they may obligate NAFs in accordance with NAF contracting policies (AR 215–4) in support of the commercial sponsorship program. This provision does not limit the involvement of NAF contract personnel whose function is to administer NAF contracts. The above is applicable to those APF contracting officers who perform NAF contracting functions for MWR programs.

b. Command authorities (normally the Director, FMWR) will designate by name and in writing individual(s) who perform commercial sponsorship duties. Active duty personnel may not be designated. Commanders should designate only advertising/sponsorship coordinator to perform sponsorship solicitation and sales. The Command will forward designee(s) name, address, phone, and e-mail address to FMWRC at the address in paragraph 11–3.

c. Designated MWR sponsorship representatives will receive appropriate professional development training to include an annual ethics briefing. Additionally, these employees will attend training conducted by FMWRC.

11–14. Additional guidance

Commercial sponsorship procedures and key management controls are further detailed in the Army Sponsorship Desk Reference Book and other written program guidance and instruction, which may be obtained from FMWRC or accessed through the MWR website, www.armymwr.org.

11–15. Website sponsorship

Commercial sponsors may be provided sponsorship benefits on MWR websites specified in paragraph 11–5.

Section III

Expense Accounts

11–16. Eligible personnel and facility use

a. MWR marketing, sponsorship, and advertising managers may have monthly expense accounts to purchase meals and nonalcoholic beverages when hosting potential commercial sponsors or advertisers. MWR facilities will be used for hosting. If they are not readily available, commercial facilities may be used. The expense account will not be used for the managers' meal/beverage.

b. The expense account is authorized for official business with the potential of benefiting MWR programs.

11–17. Administration of accounts

a. Annual expenditures will not exceed amounts designated in approved budgets. The Director, FMWR will authorize and approve expense accounts and will establish monthly dollar limitations which are not transferable to the next month. Expenses will be recorded in the month they are incurred and charged to the program to which the individual is assigned.

(1) Expense accounts will not be used to purchase alcoholic beverages.

(2) Reimbursable expenses will be limited to expenses for which actual receipts are received; the date, type of expense, and location will be documented; and the signature of the individual claiming the expense will verify accuracy.

(3) The individual's immediate supervisor will be the approval authority for reimbursement, which is payable either by a check to the individual incurring the expense or by using a NAF credit card when expenses are incurred.

b. Further guidance on establishing and utilizing expense accounts may be obtained from FMWRC.

Chapter 12 Resale, User Fees, and Credit

Section I

Resale

12-1. Authority and applicability

a. Resale includes the acquisition and resale of goods and services conducted by MWR programs or concessionaires. NAFIs/entities may engage in resale activities if conducted in accordance with this regulation and within the boundaries of military installations. Determination to engage in resale/credit activities at leased commercial buildings or in other areas outside of military installations (for example, AFRCs) will be in response to—

- (1) The relative need for the goods and services to be provided by the MWR program,
- (2) The sensitivity of exemption from State and local taxes, and competition with the private sector.
- (3) Justification for DA-sponsored MWR programs at such sites/facilities.

b. Not considered resale are user fees, interest, and other sources of income not directly related to the sale or resale of merchandise and services, such as dues and assessments. Also not considered resale are special events, such as Monte Carlo nights and carnivals, and provision of services to other NAFIs/entities on a pro rata cost basis by common service activities.

12-2. Resale authority

a. Division of responsibility.

(1) AAFES is the primary retailer of merchandise and services to authorized patrons of the military community. AAFES package beverage stores will be the primary resale source of packaged alcoholic beverages, except malt beverages and wine coolers.

(2) MWR programs are the primary provider of prepared foods, beverages, and entertainment in membership clubs, nonmembership food, beverage, and entertainment programs, and snack bars incidental to MWR operations.

(3) Sales of goods and services by civilian MWR NAFIs to DOD civilian employees is in accordance with AR 215-7.

b. Resale by AAFES. Applicable policies are in AR 215-8. Key provisions include the following:

(1) DODI 1330.21 outlines goods and services authorized for sale by AAFES.

(2) Garrison commanders may request AAFES to operate and manage any garrison sales activity.

(3) Garrison commanders may enter into MOAs or MOUs with AAFES to manage designated sales operations for a management fee. Agreements will include provisions for audit trails that account for receipts and disbursements and submission of monthly income and expense statements. Such agreements may include those entered into by FMWRC on behalf of the Army. Operations that may be managed by the AAFES, with local command agreements, will include, but are not limited to—

(*a*) Amusement machines.

(*b*) Services and vending machines in military clubs, civilian employee NAF programs, bowling centers, and similar MWR programs.

(*c*) Commodity concession contracts and short-term sales agreements for overseas military clubs, AFRCs, and other lodging facilities.

(*d*) Name brand fast-food operations only, and only after obtaining FMWRC approval.

(*e*) Any other resale function connected with MWR programs, which appropriately may be performed under an MOA/MOU with AAFES.

c. Resale by NAFIs/entities other than AAFES.

(1) NAFI/entity sales of merchandise and services will normally be part of and directly related to the purpose of the program conducting sales and necessary to the conduct of the program supported by the NAFI/entity. Examples include resale of golf apparel and equipment at an MWR golf course and souvenirs related to displays at a museum. Resale of snack food, nonalcoholic beverages, and alcoholic beverages in accordance with chapter 10 are authorized.

(2) Overseas resale activities will be conducted in accordance with applicable international agreements.

(3) AAFES resale merchandise and services, prescribed in AR 215-8, may be sold and provided by MWR programs only under the conditions cited in paragraphs 12-2c(4) and (5). Any restrictions contained AR 215-8 related to resale merchandise and services and applicable to AAFES are also applicable to resale operations by MWR programs. An example is ministorage facilities, which must have the approval of Congress.

(4) Before MWR operation of a resale activity for which AAFES is the primary provider, the garrison commander and the regional director of the servicing exchange must jointly determine in writing that the requirement cannot be met in a responsive manner by the AAFES. Determinations will be based on all the following:

(a) Compatibility of operating hours with the exchange and the proposed resale activity. There is no direct or intended competition for business.

(b) Distance to the activity from the exchange and ability of the exchange to provide delivery service.

(c) Ability of the exchange to provide the types of goods and services needed by the program. This includes quality, price, and range of goods and services.

(5) Garrison commanders will monitor NAFI/entity resale to ensure that items and services sold are necessary, authorized, and related to the established purpose of the program and its supporting NAFI/entity.

(6) Disputes are handled as follows:

(a) Differences that cannot be resolved between the garrison commander and the regional director of the servicing exchange will be referred to the appropriate IMCOM Region for final determination.

(b) If a servicing exchange declines to provide services requested, the garrison commander may appeal the decision through the IMCOM Region to the AAFES regional director and, if necessary, to the AAFES commander.

(7) Sale of foreign-made merchandise and foreign-produced services is subject to policy in this chapter.

(8) Garrison operated amusement and change machines in MWR facilities may be maintained directly by separate MWR programs or by NAF contract, as determined by the garrison commander.

(9) Services and vending machines may be maintained under concessionaire contracts or directly by military clubs, bowling centers, civilian welfare fund programs, and off-post Army Reserve Training Centers and in accordance with State licensing agencies for the blind (AR 210–25). Otherwise, services and vending machines will be operated by the AAFES.

(10) Installations may contract for MWR food services only with IMCOM Region and FMWRC approval. The provisions and applicability of AR 210–25 will be reviewed before entering into, or renewing contracts for, or direct operation of any vending machine and snack, cafeteria, or other food operation.

(11) Food service sales conducted by a NAFI/entity may be for immediate consumption on premises, take-out, or catered either in or outside the MWR facility. NAFIs/entities may provide food service at any MWR event (ball games, fests, or other garrison activities) without having to seek AAFES approval. Prior to proceeding with freestanding name brand casual dining operations, FMWRC and AAFES will conduct a joint assessment to evaluate the proposed operation's impact on the core dividend.

(12) MWR consignment sales or auctions are authorized on the installation. If MWR consignment sales or auctions are opened to the public, policies in chapter 7 (table 7–1) apply to avoid MWR competition with any consignment shops in the local community. When MWR consignment sales or auctions are conducted, controls will be established to safeguard against NAF liability for the merchandise consigned.

(13) The minimum age for the purchase of tobacco products in overseas retail outlets is 18 years.

(14) Any resale operation that incurs labor and other operating costs must be supported with NAFs unless specifically authorized APFs or the law requires sales at cost. This applies in CONUS, OCONUS, and at remote and BRAC locations. NAF revenue will not be generated when APFs pay the cost of labor and operating expenses. This does not preclude the use of an APF employee from both renting and checking out outdoor equipment in a category B outdoor recreation facility when the rental of equipment is very limited; or the registration clerk from selling limited snacks, soft drinks, or juice at a category A MWR fitness center. The same situation may occur at a marina or equestrian riding facility, where there are both category B and C programs operating within a single facility and the category C part of the program is not significant. Paragraph 12–8 and appendix D will apply.

Section II

International Balance of Payments Program (DODI 7060.03)

12–3. Sale of U.S.-made merchandise overseas

NAF resale activities and concessions overseas will, within the limits of sound business practice, stock merchandise of U.S. origin in preference to equivalent merchandise from foreign sources. The following steps will be taken to maximize the sale of U.S. made merchandise by NAF resale activities:

a. Prominently display U.S. made merchandise.

b. Label and segregate foreign made merchandise.

c. Avoid foreign made, inferior imitations and substitutes for U.S. made merchandise.

- d. Respond promptly to consumer preference for merchandise of U.S. origin through established NAF contracting channels.
- e. Cooperate with potential U.S. suppliers in meeting foreign competition when customer demand indicates a shift to foreign products.

12-4. Foreign goods for resale overseas

a. Overseas NAFIs/entities may stock and sell the following foreign goods, subject to the restrictions that apply to exchanges (AR 215-8), and are not subject to the conditions contained in paragraph 12-4b:

(1) Perishable subsistence items, beverages, and similar items purchased for consumption on the premises of programs engaged in serving food and beverages. However, purchases are reviewed continuously with priority consideration towards changing to U.S. sources if feasible and financially advantageous.

(2) Soft drinks.

(3) Items of supply and materials for use in hobby and crafts shops.

(4) Printed matter such as maps, postcards, magazines, newspapers, travel books, and greeting cards.

(5) Purchases made or required pursuant to treaty or executive agreement.

(6) Heating and cooking fuels not available from APF stocks.

(7) Emergency purchases.

(8) Automotive supplies for U.S.-made cars where supplies of American manufacture are not available from either bonded warehouses or foreign distributors and where existing facilities preclude those supplies otherwise being made available for the upkeep of POVs.

b. Overseas NAFI/entity resale programs may procure foreign-made goods available in the local market for resale to authorized personnel, under the following conditions:

(1) The price of foreign goods sold in NAF activities will be based upon a markup percentage that is no less than that applied to similar categories of U.S. merchandise. Other provisions notwithstanding, the resale price of an item need not exceed the local price.

(2) Only foreign goods available on the local market will be sold by NAFIs/entities, except under the following conditions:

(a) Foreign goods purchased with excess foreign currencies may be stocked and sold.

(b) In remote geographic areas where DOD personnel are isolated and where a local market does not exist, the combatant commander may authorize foreign goods to be stocked to the extent dictated by morale and welfare considerations.

(3) Transshipment of foreign goods between NAFIs/entities in different market areas is authorized where the resale price of the transshipped items, including markup and transshipment transportation costs, results in significant savings to authorized patrons compared to the purchase of such items from local importers at the resale area. APFs are not authorized for the transshipment of merchandise, except when commercial transportation is not available or in contingency operations.

12-5. Foreign goods not for resale

a. Overseas NAFIs/entities are authorized to buy, but not to sell, foreign goods if procurement is—

(1) Made pursuant to treaty or executive agreements.

(2) Estimated not to exceed \$100,000 in foreign currency.

(3) Obtainable from foreign sources only and for which it is not feasible to forego filling the requirements or to provide a U.S.-made substitute for them.

b. Procurement of other “not for sale” goods, except as provided above, will be U.S. materials and end products from domestic suppliers provided the cost of U.S. goods (including transportation and handling costs) is estimated to be no more than 6 percent above the cost of foreign goods if the domestic offer is from a large business or no more than 12 percent, if the domestic offer is from a small business concern.

12-6. Construction, sustainment, restoration, and modernization of real property outside the United States

NAF-funded construction, sustainment, restoration, and modernization projects will be accomplished to the maximum extent possible under procedures that use U.S. contractors, U.S. materials, and end products from domestic suppliers; U.S. Government furnished material and equipment; U.S. flag carriers; prefabricated installations and structures manufactured in the U.S.; and competent available troop labor. Project approval levels are prescribed in chapter 15 and cited regulations.

12-7. Exceptions for specific foreign locations

As exceptions to paragraphs 12-3, 12-4, and 12-5, the following will apply to NAFIs/entities in—

- a. Canada, Korea, and Mexico.* NAF activities located in these countries are authorized to purchase and sell goods produced or manufactured in the respective countries.
- b. Greenland.* NAF activities located in Greenland are authorized to purchase and sell goods produced or manufactured in the Kingdom of Denmark.

Section III

User Fees

12-8. Prices, user fees, and other charges

- a.* Prices, user fees, and charges are structured to meet cash management goals for sustainment of an MWR program and its operations, to cover capital requirements and overhead expenses, and to satisfy budget requirements for support of other MWR programs dependent upon it.
- b.* Alternative pricing strategies to attain necessary income levels, based on MWR 5-year plans and financial trends, will be developed, used, and adjusted as needed.
- c.* User fees or charges will not be levied for general use of category A MWR programs and associated services such as towel and locker rental. This does not prohibit charging patrons for activities, classes, and services, which are more specialized, and beyond the scope of general use and associated services (such as martial arts, aerobics, and therapy classes). If NAFs are used for services, which are not authorized or readily available from APFs, then these NAF costs may be recovered through fees.
- d.* Fees charged in category B MWR programs will cover NAF expenses incurred and may include a reasonable profit on the NAF investment (such as labor, supplies, material).
- e.* When patrons are charged a fee in a category C MWR program, including annual dues established for military clubs, prices ordinarily will be established within 25 percent of the average prevailing off-base cost for similar goods or services. Annual surveys of off-post commercial, municipal, and/or private enterprises will ensure costs are within the 25 percent rate.
- f.* IMCOM Regions will be responsible for establishing prices, user fees, and charges overseas.
- g.* Nonmembers of a military club may be charged more than a member.
- h.* Child care fees will be in accordance with AR 608-10. Child, Youth and School Services School Age Services program fees may be structured similarly or graduated based on other considerations, unless stipulated otherwise by the FMWRC.
- i.* Special prices and privileges will not be given to functions designated as “command sponsored.” No person or group of people will receive special prices or privileges that are not available to all patrons except as provided in paragraph 12-9.

12-9. Discounts

The following discounts may be offered if they are offered consistently and are equitable:

- a.* Lower prices for junior enlisted personnel.
- b.* Discounts when tailored to various major target groups, such as single Soldiers, retirees, Family nights, seniors (65 years of age and over), and birthdays, provided other groups are also provided the same opportunity when requested.
- c.* Group rate, if all parties of the same size are given the same rate.

12-10. Fees for Federal property use (31 USC 3302)

- a.* Fees or payments for licenses, rents, or privileges involving the use and conversion of Government-owned or leased buildings, lands, and their crops, natural resources, and wildlife will not accrue to the NAFI/entity. Program fees, however, may be established to defray NAF costs, if any are incurred.
- b.* Money collected from the sale of special State permits to hunt and fish on military installations will not accrue to the NAFI/entity but are administered as prescribed in AR 200-3. Program fees may be established to defray NAF costs for conducting recreational hunting or fishing.
- c.* Proceeds from the sale of property acquired with APFs or for services provided exclusively through the use of APFs will not accrue to the NAFI/entity except as provided by law. Fees may be charged to cover NAF costs that are expended in the use of APF property or the provision of APF services. Fees may be charged and retained by the MWR program when providing an authorized MWR product or service, supported with NAFs. Commanders at all levels have fiduciary responsibility for APFs and NAFs and are responsible for ensuring that fees are charged properly.

Section IV

Credit

12–11. Commercial credit cards

Acceptance of commercial credit cards is the preferred method of extending credit to MWR patrons if shown to be the most cost-effective means of providing credit. Contracts may be awarded to commercial card issuers in accordance with AR 215–4. Credit services for more than one program may be included in the same contract.

- a.* Commercial bank credit card services may supplement or replace in-house charge systems.
- b.* The supported NAFI/entity will not perform credit control or collection functions on overdue accounts contracted to commercial credit card firms.

12–12. In-house nonappropriated fund credit

a. In-house NAF credit systems to extend credit to patrons, in lieu of commercial credit cards, will not be authorized. Exceptions may be approved by FMWRC. This does not include the military exchange credit program.

b. A waiver to on-post banking services is approved to authorize Armywide implementation of credit and uniform accounts receivable services under the Customer Payment Solutions (CPS) Program. All garrisons will be converted to the CPS credit processing system. Garrisons with local credit cards processing agreements expiring prior to their scheduled CPS implementation date must contact FMWRC for guidance until they are brought under the CPS program. Address is Commander, Family and MWR Command (FMWRC–BPC), 4700 King Street, Alexandria, VA 22302–4404.

12–13. Credit card use over websites

MWR websites offering consigned or auction items or excess NAF property for purchase via credit card must contain appropriate security controls to avoid credit card abuse and unauthorized access to credit card information.

Chapter 13

Logistics and Administration

Section I

Travel and Transportation

13–1. Guidelines

- a.* The following criteria apply to NAFI/entity personnel on travel duty:
 - (1) Provisions of the JTR will apply to NAF employees traveling on MWR business unless specified otherwise in this regulation.
 - (2) Transportation of NAF employees may be APF-funded when the purpose of the travel is related to ECECS (see app D).
 - (3) U.S. citizen NAF employees may travel on air mobility aircraft. Official travel will be on a space-required basis, subject to reimbursement from the employing NAFI/entity, unless the travel is APF funded.
 - (4) Gratuities, including frequent flyer miles and hotel and rental car “points” from commercial sources, earned by Army NAF personnel travelers on official business at the NAFI’s/entity’s expense may be kept for personal use. Acceptance of gratuities, reimbursements, and other benefits will be in accordance with the JTR, Army Directive 2005–01, and DOD 5500.07–R.
 - (5) Advance travel payments to NAF employees who are not authorized Government corporate charge cards will not exceed 80 percent of the anticipated per diem allowance plus transportation costs. Vouchers are promptly submitted in accordance with DFAS-IN 37-1 Regulation, Chapter 32.
 - (6) PCS movement of NAF employees, their Family members, household goods, and POVs will be in accordance with AR 215–3. Costs of PCS transportation by the Military Sealift Command or Air Mobility Command will be reimbursed from the employing NAFI/entity or by the employee from authorized employment allowances.
 - (a)* Preparation of PCS travel orders that include the shipment of household goods and unaccompanied baggage will follow procedures in the JTR.
 - (b)* A copy of all travel orders for NAF employees returning from an OCONUS assignment will be sent to the Fund Manager, Army MWR Fund, P.O. Box 107, Arlington, VA 22210.
 - (c)* The JTR prohibits shipment of privately owned ammunition as household goods. This prohibition applies to NAF employees.

b. Air transportation requirements will be booked with U.S. flag carriers, unless otherwise determined by the local transportation officer or an appropriate official that certified air carriers are not available (see JTR, para C2204, for an exception to this requirement).

c. Employees traveling under official travel orders are entitled to use permanent quarters, DOD food services, exchanges (while occupying Government quarters), and other MWR programs, except where precluded by international treaty or agreement.

d. The following criteria apply to NAFI-funded and entity-funded travel:

(1) Travel order forms described in the JTR, Volume II, chapter 3, part D, for TDY and PCS will be used in conjunction with official NAFI/entity funded travel, subject to the following:

(a) Forms will be clearly marked "NONAPPROPRIATED FUNDS."

(b) The commander immediately responsible for the NAFI/entity will designate in writing the order-authorizing official for NAF travel orders.

(c) The remarks section will contain a statement signed by the fund manager/entity administrator indicating that NAFs are available within an approved NAFI/entity budget.

(d) The accounting citation section will include an entry signed by the fund manager/entity administrator indicating that all related travel costs are chargeable to the NAFI/entity.

(e) When the fund manager/entity administrator is also the order-authorizing official, the separate entries described above need not be individually signed.

(2) First-class air transportation accommodations will not be authorized except for limited circumstances as allowed in the JTR and the Secretary of the Army travel policy (see para 13-1a(4), above).

e. OF 1169 (U.S. Government Transportation Request) for travel funded with NAF will not be used. See appendix D for APF authorizations.

f. Travel by personnel participating in authorized athletic competitions, training sessions, or like events may be authorized by invitational travel orders at no expense to the Government. Travel expenses will be paid by the sponsoring NAFI/entity, personal funds, or a combination of both.

g. Other authority for personnel travel expenses is in chapter 8 and appendix D of this regulation.

h. Policies on travel of non-DOD personnel, spouse travel, and the use of invitational travel orders are contained in the JTR and the Secretary of the Army travel policy cited in paragraph 13-1a(4), above.

13-2. Nonappropriated fund instrumentality/entity centrally billed and individually billed accounts

a. The centrally billed account (CBA) and individually billed account (IBA) will be used when airline tickets are purchased for official travel using the U.S. Government-negotiated airfares.

b. The CBA/IBA will be issued by a contractor holding the current U.S. Government charge card contract.

(1) Requests to establish a NAFI/entity CBA/IBA must be addressed to the Commander, Surface Deployment and Distribution Command (MTIM), 200 Stovall Street, Alexandria, VA 22332.

(2) Information provided to the Surface Deployment and Distribution Command must include—

(a) Name of installation and exact name of the NAFI/entity; for example, Fort Justice Morale, Welfare, and Recreation Program, Fort Justice Lodging Fund, Fort Justice Civilian Welfare Fund, IMCOM Regional MWR Fund, and so on.

(b) Name, title, mailing address, Defense Service Network (DSN), and commercial telephone and fax numbers, and e-mail address for the individual who will verify CBA/IBA billings for payment.

(c) Name, mailing address, and commercial telephone and fax numbers for the servicing commercial travel office/contractor.

(d) Name, mailing address, and DSN and commercial telephone and fax numbers for the servicing NAFI/entity CAO.

(e) Estimated NAF travel budget for the current fiscal year.

(3) CBA/IBA account numbers will be given to local commercial travel offices by the Surface Deployment and Distribution Command immediately after they are issued to the NAFI/entity. All subsequent commercial travel office billings against the NAFI/entity will be charged to the CBA/IBA. The CBA/IBA will remain active unless canceled in writing by the Government contractor or the NAFI/entity.

13-3. Nonappropriated fund instrumentality/entity cargo

a. Eligible cargo, as defined in appendix D, may be transported from CONUS to the first overseas destination by Air Mobility Command (AMC) airlift or Military Sealift Command sealift on a space-required, nonreimbursable basis. Eligible cargo meeting AR 59-3 criteria will be assigned transportation priority 3 (TP3), in accordance with DTR 4500.9-RM, Defense Transportation Regulation. Documentation for authorized shipment using the military transportation system will be in accordance with DTR 4500.9-R.

b. Overseas commanders will determine eligibility of cargo for intratheater movement on aircraft under their operational control, subject to—

(1) Items determined to be essential to the MWR program may be transported on a space-available, nonreimbursable basis, if air transportation is necessary and can be furnished from available resources. The movement document is annotated “nonrevenue traffic.”

(2) Items not qualifying will be transported only on a reimbursable basis at the cost tariff rate. The movement document is annotated “revenue traffic.”

Section II

Official Vehicle Use

13–4. Use of Government vehicles

a. Use of Government-owned or Government-contracted vehicles by MWR programs is governed by AR 58–1 and is limited to authorizations in appendix D. Vehicles will not be acquired with APFs to provide transportation support either partially or wholly to MWR programs.

b. Use of Army motor pool vehicles will be restricted to official purposes. They may be used only if the local commander determines that such use does not adversely affect the command mission.

c. Government bus transportation may be provided MWR programs in accordance with policies in AR 58–1.

13–5. Use of nonappropriated fund vehicles

a. NAF passenger carriers will be used only for official NAFI/entity business.

b. Domicile-to-duty (home to work) transportation is prohibited by statute (31 USC 1344). Employees will provide their own transportation between home and work, unless written approval has been obtained.

c. AR 58–1, chapter 4, and Army Directive 2005–1 (para 13–1a(4)) contain domicile-to-duty policy and are applicable to NAF vehicles.

13–6. Registration and licensing of nonappropriated fund instrumentality/entity vehicles

a. Registration. Within the United States and Puerto Rico, the following vehicles will be registered within 72 hours of acquisition: those owned by NAFI/entity and vehicles leased under a NAF contract for use on public roads. This includes recreational vehicles, campers, and trailers. Off-road vehicles, motorcycles, and mopeds must be registered only if required by the State in which they are used or located. No vehicle, regardless of type, will be registered with State or local Government. Overseas NAFIs/entities will register NAF vehicles as prescribed by SOFA or local regulations. Registration procedures for NAF vehicles are administered by the Army’s NAF RIMP as follows:

(1) Requests for NAF vehicle registration will be signed by fund manager/entity administrator managers and forwarded to the Commander, Family and Morale, Welfare and Recreation Command (IMWR–FM–I), 4700 King Street, Alexandria, VA 22302–4406.

(2) Requests will include—

(*a*) Garrison and IMCOM Region; name of the NAFI/entity that owns, uses, or leases the vehicles; date acquired; and cost.

(*b*) Source of acquisition, such as commercial purchase, transfer from another NAFI/entity, or issue through a DRMO. If transferred from another NAFI/entity, the name and location of the losing NAFI/entity and the license plate number transferred with the vehicle will be included.

(*c*) Name and telephone number of the responsible fund manager/entity administrator.

(*d*) Description of the vehicle: year, make, model, body type, and Vehicle Identification Number (VIN).

(3) Supporting documents include:

(*a*) For vehicles acquired through DRMO or property disposal offices, a copy of DD Form 1348 (DOD Single Line Item Requisition System Document Manual).

(*b*) For other vehicles, a copy of the title or bill of sale.

(*c*) For mopeds, a copy of the State requirement or a statement by the fund manager/entity administrator that moped registration is required.

(*d*) Certification that vehicles have been and will be inspected and road tested annually by appropriate installation personnel, using the inspection criteria of the State in which the vehicles are based. The fund manager/entity administrator retains results of tests and inspections.

b. NAF vehicle license plates. After RIMP registration, DA Form 4722 (U.S. Army Nonappropriated Fund Vehicle Registration) will be sent with license plates directly to the requesting NAFI/entity. The original registration form will be

kept in the vehicle, and the duplicate retained by the fund manager/entity administrator. Campers and trailers designed to be towed by another vehicle will be issued one plate; other vehicles will be issued two plates. Registration and licenses issued under this regulation will be valid until canceled by RIMP.

c. Transfer and cancellation of NAF registration. Registrations will be canceled upon the vehicle's transfer, sale, or other disposition. Registrations will be not transferable to other NAF vehicles.

(1) The losing NAFI/entity will complete the reverse side of DA Form 4722 indicating the name and address of the gaining NAFI/entity and return it to RIMP. License plates will remain with the vehicle.

(2) The gaining NAFI/entity will apply for a new vehicle registration as specified in subparagraph 13–6a.

(3) When NAF vehicles are sold, turned in to DRMO, or otherwise disposed of, the fund manager/entity administrator will complete the reverse side of DA Form 4722 and return it to RIMP at the above address. License plates are removed and destroyed.

d. Replacement of license plates.

(1) New license plates will be issued to replace any that have been lost or stolen or become illegible. Requests signed by the fund manager/entity administrator will be sent to RIMP at the address in paragraph 13–6a. Reasons for the request will be given, and the plate number to be replaced will be included. Upon receipt of replacement registration and plates, old plates will be removed and destroyed within 72 hours.

(2) Copies of previous registration certificates will be returned to RIMP within 30 days of issue. A superseded registration not received by RIMP within 30 days of the issue date may be canceled without notice and may subject the fund manager/entity administrator to disciplinary action.

e. Drivers' licenses for NAF vehicles.

(1) Drivers of NAF vehicles designed for 15 or fewer passengers (including the driver) must—

(a) Possess an OF 346 (U.S. Government Motor Vehicle Operator's Identification Card) per DODM 4500.36; or

(b) Be a licensed driver in the State in which the vehicle is based or primarily operated or in any State that has reciprocity with the State in which the vehicle is based.

(2) Drivers of NAF-operated vehicles designed for 16 or more passengers (including the driver) must possess a commercial driver's license.

(3) Drivers of NAF vehicles in overseas areas must be licensed in accordance with local laws or treaty agreements.

Section III

Information Technology Systems

13–7. Information system configuration plan

a. PL 104–106 requires the development of an organizational Enterprise Architecture (EA) specifically for the identification and improvement of organizational processes and the development of integrated information support systems. FMWRC is responsible for the development and maintenance of the Army MWR and Family Programs EA. Development, maintenance, and utilization of the organizational EA is instrumental to successful achievement of facilitating business process improvement; guiding future information system investments; facilitating systems interoperability and integration; and supporting of the Defense Department Business Management Modernization Program. The MWR EA will be developed in accordance with the DOD Architecture Framework and the Army Enterprise Architecture Guidance Document, in coordination with the office of the ACSIM–EA and the IMCOM EA.

b. In coordination with the G–6 and the Army Chief Information Officer (CIO) Executive Board, FMWRC will provide command ECECS through the FMWRC CIO for the development, fielding, control, and management of all FMWRC managed MWR/NAFI EA and Configuration Control Board (CCB) approved information systems. FMWRC CIO oversight will also include the EA–CCB strategic information system resource plan, configuration management plan, and life-cycle management plan for all FMWRC managed MWR/NAFI information systems.

c. The EA–CCB will develop and publish approved FMWRC-managed MWR/NAFI information systems configuration plans. The FMWRC managed MWR/NAFI information system configurations will be established and will be based upon the guidance and recommendations of the EA–CCB committees. Use of the standard EA–CCB approved systems is mandatory.

13–8. Acquisition

a. Information systems (including office automation and data processing systems and equipment and associated hardware and software) for use within MWR/NAFI programs must be approved by the respective information system designated approval authority responsible for the information system and the EA–CCB prior to initiation of the procurement process. The EA–CCB will publish a list of approved information system hardware/software components.

b. Installation specific office automation and software requirements, to include FMWRC managed MWR/NAFI offices, will normally be provided by the installation DOIM to meet commander's office automation requirements. In the event office automation software is not available from the installation DOIM, office automation software requirements not on the EA-CCB approved items list will be submitted through command channels to the EA-CCB, with a statement from the commander's resource manager attesting to the nonavailability of APFs, for approval prior to initiation of the procurement process.

13-9. Approval authority for nonappropriated fund requirements

a. Garrison commanders will approve all orders up to \$50,000 for EA-CCB approved stand-alone information systems, including those that are part of the MWR information system(s).

b. IMCOM Regions will approve all orders for EA-CCB approved stand-alone systems exceeding \$50,000, including those that are part of the MWR information system(s) and integrated information systems, regardless of use.

Section IV

Administrative Policies

13-10. Conflicts of interest

DOD 5500.07-R applies to all personnel responsible for the custody, control, management, supervision, and administration of APF or NAF resources. In addition, no individual, unit, organization, installation, or garrison will have any proprietary interest in NAFs or NAF assets.

13-11. Nondiscrimination

The employment practices of all NAFIs/entities will conform to the Government's policy of ensuring equal employment opportunity to all persons without regard to race, color, religion, sex, national origin, disability, age, reprisal, or other bases as contained in AR 690-12, AR 690-600, and applicable EOs. A NAFI will not be affiliated by membership, dues or nondues paying, with any private sector recreational, trade, or professional association that practices illegal discrimination in any form. No MWR facility or program will be made available to any organization that practices discrimination nor will any NAFI/entity use the land, facilities, or services of such organizations.

13-12. Acquisition of goods and services

When APFs are to be expended for an MWR acquisition, the provisions of the FAR, FAR supplements, and this regulation apply. MWR USA/UFM funding practice provisions are in chapter 5 of this regulation. For NAF acquisitions, the provisions of this regulation and AR 215-4 apply.

a. Verbal contracts will not be used.

b. NAF and APF Government purchase cards may be used as authorized.

c. The GSA Smart Pay Purchase Card is for Armywide use by both APF and NAF organizations. Armywide SOP for use of the Government Purchase Card is issued to each cardholder explaining the program, conditions for use, authorized, unauthorized, and regulated purchases, dollar limits, and procedures. The SOP for use of this Government Purchase Card by U.S. Army NAFIs/entities is issued by the Commander, Family and Morale, Welfare and Recreation Command (IMWR-NC), 4700 King Street, Alexandria, VA 22302-4415.

(1) The NAFI will use the NAF Purchase Card to pay for commercial services arranged by the NAFI for which the program has received payment from the patron—for example, tickets to concerts, theatres, or sports events.

(2) The GSA Smart Pay Purchase Card may be used by APF organizations to purchase supplies or services noncompetitively from NAFIs/entities, including AAFES, subject to the threshold of \$2,500. The Government must rotate such purchases among vendors if there is similar price/value relationship. Supplies and services acquired from NAFIs/entities must be integral to the ongoing functions performed by the NAFI/entity in support of the NAFI/entity mission.

d. Under the authority of 10 USC 2492—

(1) NAFIs/entities may enter into a contract or an agreement with another element of the DOD or with another Federal department, agency, or instrumentality to provide or obtain goods and services. Before entering into a contract or other agreement, the garrison MWR operating entity administrator/NAFI fund manager will ensure that the contract or agreement will financially benefit the entity/NAFI, considering fixed and variable direct and overhead costs (including depreciation). Goods and services provided by a NAFI/entity to another agency must be within the scope of the designated NAFI's/entity's function and mission. DOD NAFIs will not enter into contracts or agreements with DOD elements or other Federal agencies or instrumentalities for the provision of goods and services that will result in the loss of existing

contractor jobs on the installation created pursuant to the Randolph-Sheppard, Javits-Wagner-O'Day Act, or small business programs.

(2) Use of DD Form 448 (Military Interdepartmental Purchase Request) will follow guidelines in DFAS-IN 37-1 Regulation, Chapter 32 to transfer NAFs to an APF account of the U.S. Government for goods and services rendered to a NAFI/an entity by the Government.

e. The Government may contract noncompetitively with overseas exchanges for supply requirements, conditioned upon the contract (or Purchase Card) not exceeding \$100,000; availability of merchandise where the contract is let; and that items are normally in the exchange inventory (10 USC 2424).

f. See paragraphs 5-2 and 5-3 for policy on the DOD MWR USA/UFM funding practices, which allows authorized APF services to be executed through an MWR NAF account.

13-13. Food service employee meals

a. Program managers may offer an employee meal program to NAF employees working in a food service environment (MWR programs that sell food). If this is a condition of employment, the employee must be paid for the meal period. In any case, the meal period is specified within the employee's scheduled work hours. Meals will be retail price, wholesale cost, or no cost to the employee. The employee meal program is used as a business tool and a benefit to the NAFI/entity. Examples include a rental clerk behind the bowling center counter taking meals at the bowling center snack bar; a club cook or hostess taking their meal at the club; and the golf pro manager taking a meal at the food service facility at the golf course.

b. Meal programs for local national employees and third-country national employees are prescribed by the IMCOM Regions and subject to applicable international agreements.

c. GLAC 306 is used in accounting for NAF employee meals per DFAS-IN 37-1 Regulation, Chapter 32 and attachment 2.

13-14. Acceptance of gifts or donations

For commercial sponsorship agreements, see chapter 11. For gifts to the Government, see AR 1-100.

a. Gifts of real or personal property or gifts of a monetary value may be accepted by a NAFI when voluntarily offered by private individuals or groups, if a determination is made that acceptance is in the NAFI's best interest. In making this determination, the responsible official considers—

- (1) Whether the NAFI/entity needs the proposed gift.
- (2) The cost to the NAFI/entity.
- (3) Whether conditions imposed by the donor, if any, can be met.

b. Gifts will not be solicited. Army personnel may, however, identify NAFI/entity needs in response to inquiries from prospective donors.

c. Donors will not be granted any special privileges or concessions in return for gifts voluntarily offered; all ownership rights are relinquished. This will not preclude accepting donations of minimal value (score cards, coin wrappers, golf tees, table tents) that include the logo or slogan of a commercial source. Government identity will not be contained on such items.

(1) A posted disclaimer will state that the Army does not officially endorse the product donated or the organization furnishing it.

(2) The donor will not be given exclusive rights to furnish products.

d. The use of donor boxes for voluntary public contributions to museums and chaplain funds is not a public solicitation and is, therefore, authorized. A sign posted near the donor box will state clearly how contributions are used and that donations are not used to support the APF facility where the box is located.

e. The following authorities may approve offers of gifts or donations, subject to value limitations for each gift. The aggregate amount of concurrent gifts from a single source to an individual NAFI/entity will determine the approval level. Requests are forwarded through the following command channels:

- (1) Director, FMWR, up to \$15,000 when delegated by the garrison commander.
- (2) Garrison commanders, up to \$50,000, except for contributions by the local United Way, which may be accepted in any amount.
- (3) IMCOM Regional Directors, up to \$100,000.
- (4) FMWRC (IMWR-PO), amounts up to \$250,000.
- (5) Secretary of the Army, amounts over \$250,000.

13–15. Safety, fire prevention, and health programs

a. Safety.

(1) Safety programs will be established for all MWR programs in cooperation with garrison safety directors and fire marshals as required by AR 385–10, AR 385–40, and AR 420–1. Chapter 8 of this regulation outlines additional safety requirements for high-risk MWR programs.

(2) SOPs for safety administration and accident prevention will be developed for ongoing and special activities and used by all MWR personnel.

(3) Individuals using hand tools, power tools, and other specialized equipment will qualify prior to use. Qualification records are maintained on DA Form 3031 or DA Form 3031–1 and are updated every 5 years.

(4) Tableside flambé cooking in MWR programs is prohibited because of the safety hazards posed to the server and guests and the potential for major liability claims under the RIMP program.

b. Food service inspections and sanitation. Comprehensive health and environmental quality programs are established for all MWR operations as prescribed by Technical Bulletin Medical (TB MED) 530. Food inspection and sanitation requirements are outlined in AR 40–5 and AR 40–657.

c. Weapons and ammunition. Weapons and ammunition are stored, maintained, and accounted for as prescribed in chapters 8 and 17, AR 190–11, AR 385–64, and DA Pam 385–64.

d. Smoking.

(1) Smoking in MWR facilities will be in accordance with AR 600–63. All DOD civilian and military personnel will be protected from the health hazards caused by exposure to environmental tobacco smoke.

(2) Enclosed designated smoking areas must be exhausted directly to the outside, located away from air intakes, and maintained under negative pressure sufficient to contain tobacco smoke in the designated area. Employees will not be required to enter such areas during normal business hours while environmental tobacco smoke is present

(3) MWR program managers may designate outdoor smoking areas that are reasonably accessible to smokers and provide a measure of protection from the elements. They are to be located at least 50 feet from common points of ingress and/or egress into and/or out of the MWR facility and not in front of the building air intake ducts or areas commonly used by nonsmokers.

(4) In accordance with PL 104–52, the sale of tobacco products (cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco) in vending machines and the distribution of free samples of tobacco products in or around Federal buildings (owned or occupied under a lease, to include real property on which a building is located) is prohibited, except at specific locations where minors (under 18 years of age) are not allowed. Sales restrictions apply only to vending machines, not over-the-counter sales. This prohibition may or may not apply to buildings occupied in foreign areas as may be specified in SOFAs.

e. Pest management.

(1) MWR programs, to include clubs, child care centers, golf courses, and other recreational facilities, will establish pest management programs in cooperation with public works environmental personnel as prescribed by AR 200–5.

(2) Each MWR program should employ pest management techniques that reduce reliance on chemicals to eliminate or reduce damage by pests with minimum risks to the environment from hazardous chemicals.

(3) Garrison personnel or consultants for the installation, who are chemical or pesticide applicators, must be DOD certified pesticide applicators per AR 200–5.

13–16. Postage and mail

Payment of U.S. postage from APFs will be authorized for official business. Only NAFs will be used for postage related exclusively to category C MWR programs (see app D).

13–17. Liability waivers

a. A liability waiver, also known as a release and hold harmless agreement or a covenant not to sue, is a signed statement in which a participant in an event or program acknowledges the inherent risks and dangers of participation and agrees not to sue the sponsor or operator or otherwise hold it responsible in the event of injury or death resulting from participation. Use of liability waivers by MWR programs will be as follows:

(1) The garrison commander will determine whether liability waivers are used based on recommendations of MWR program managers and the installation SJA. Consideration includes liability exposure, availability and adequacy of liability insurance, and adequacy of management practices and procedures.

(2) Where required, liability waivers will be drawn by the SJA and are—

(a) Tailored to circumstances of the specific event or activity.

(b) Compatible with State and local laws or the provisions of any applicable international laws, customs, treaties, or agreements.

(c) Written clearly and unequivocally, avoiding any extraneous matter, such as statements concerning damage to Government property.

b. A determination as to whether to establish or continue an MWR program will be based on the liability exposure of the program and not the fact that a liability waiver is or can be required. Liability exposure is the extent to which APF or NAF expenditures may be required to pay claims for death or personal injury, damage to or loss of property, and the cost of investigation and litigation.

13–18. Events

a. *MWR events.* Garrisons may periodically conduct special events. Guidelines for special events involving MWR and/or NAF resources follow:

(1) MWR events conducted in CONUS will comply with applicable laws and regulations; events conducted overseas will comply with applicable international treaties and agreements (see also paras 8–17 and 8–18).

(2) MWR events will not selectively benefit or endorse any commercial interest, product, or person. Gifts and donations may be accepted and commercial sponsorship may be solicited in accordance with the policies in this chapter and chapter 11.

(3) MWR programs may operate authorized resale activities and services in accordance with policy in chapter 12. If unable to provide resale activities or services, commercial contractors may be used.

(4) MOAs/MOUs with on-post POs or members of military units volunteering their services to the benefit of the PO/unit fund or contracts with concessionaires are authorized for the operation of MWR resale booths at MWR events. DOD 5500.07–R provisions regarding fund raising will apply.

(5) At the discretion of the garrison commander, MWR programs may secure the aid of volunteers or persons providing gratuitous services to assist in the sale of MWR-procured alcoholic beverages. MWR programs may also enter into agreements with military units or on-post private organizations, under which the military units or private organizations will provide qualified personnel to assist the MWR program in selling alcoholic beverages at MWR events in exchange for a fee. Fees paid to military units will be deposited into the unit funds; units will not require Soldiers to participate in the event. MWR programs may also contract with concessionaires to sell alcoholic beverages at MWR events. This may also apply to cosponsored events, below (see also para 10–8). All personnel assisting the MWR program to sell alcoholic beverages at such events will receive appropriate training.

b. *Cosponsored events.* These events will be governed by DOD 5500.07–R. If gate fees are charged, MWR will collect and account for all receipts.

c. *Installation/community relations events.* Installation open houses and related events are primarily public affairs events, designed to share information about military missions, equipment, facilities, and personnel with local or regional communities. MWR programs may participate in community relations/public affairs open houses/events, as long as generating NAF revenue is not the primary objective of the open house/event. This will not preclude MWR programs from selling food and beverages and mementos commemorating the event.

13–19. Promotional materials

a. Promotional mailings, written or electronic, to authorized MWR patrons of announcements pertaining to sales in and services provided by MWR programs are authorized. Promotional mailings containing advertisement of specific commercial products, commodities, or services provided by or for any private individual, firm, or corporation are authorized only to those patrons who voluntarily have requested to receive such mailings. The cost of promotional mailings to include postage will be paid for with NAFs.

b. Ads, premiums, coupons, and samples (except tobacco products and alcoholic beverages) may be distributed directly to authorized patrons unless specifically prohibited by DOD policy. A disclaimer will not be required for items provided as premiums, coupons, and samples. MWR programs may accept premiums with a value of \$20.00 or less. Ads and promotional devices that are primarily advertising devices, prepared by non-DOD sources, will not be distributed through official channels. Such media may be placed in locations on the installation for personal pickup. A disclaimer will be required as prescribed above. Funds will not be solicited from suppliers or other non-DOD sources to offset costs of premiums. MWR programs will not request suppliers or other sources to prepare or provide special premiums at their expense.

c. MWR programs may use point of sale displays and promotional material, such as reduced price and special offer coupons and may participate in national and local coupon redemption programs, available to the general public as well as the military community.

d. MWR operations may accept items of small value from vendors using the procedures outlined for FB&E operations in paragraph 8–24d(10) and (11).

13–20. Identity (and signage)

a. MWR programs will be identified with appropriate signs and will be included in post maps and telephone directories. Interior signs will inform patrons of goods and services, hours of operation, prices, authorized patronage, and credit and check-cashing practices.

b. The placement of all exterior signs must be coordinated with and approved by the installation DEH/DPW.

c. Distinctive uniforms, other articles of clothing, name tags, and insignia may be worn by MWR personnel while on duty.

13–21. Operating hours

Operating hours will respond to market demand as determined by community needs assessments.

13–22. Customer complaints

NAFI fund managers/entity administrators will use their discretion in the settlement of customer sales and service complaints by cash payments, service, or replacement in kind. All such returns for cash or exchange, replacement, and so on must be documented. Assistance of MWR program managers and SJAs will be requested, as necessary. Any claims of this nature that cannot be satisfactorily settled in this manner, or any claims which include a demand for consequential damages, such as personal injury or property damage other than that to the article purchased or serviced, will be processed per AR 27–20, chapter 12 (see para G–9).

13–23. Awards programs

Appendix K provides a synopsis of the various awards, competitions, tournaments, and contests administered by FMWRC.

Section V

Volunteer and Gratuitous Services Policies

13–24. Volunteer policy (10 USC 1588)

a. More detailed policy and guidance are contained in AR 608–1.

b. Among many other installation programs, voluntary services may be accepted by MWR programs and other NAFIs.

c. The acceptance of volunteer services will be acknowledged on DD Form 2793 (Volunteer Agreement for Appropriated Fund and Nonappropriated Fund Instrumentalities) (see AR 608–1) prior to the volunteer providing services.

d. Tasks and duties to be performed will be fully defined and documented to provide achievable goals and challenges to motivate the individual. Job description elements will include the position and title, first and second line supervisor, goals/objectives of the job, description of the duties, time required, qualifications of the job, training required and provided by the program accepting the voluntary services, and evaluation and feedback by the supervisor.

e. Volunteers may be eligible for reimbursement of incidental expenses incurred as a result of providing voluntary services. Requirements for reimbursement and reimbursable expenses are detailed in chapter 5 of this regulation and AR 608–1.

f. MWR programs may recruit and train volunteers to provide voluntary services.

g. Status of persons providing voluntary services will be as follows:

(1) A volunteer may be considered to be an employee of the Federal Government only for purposes of the following provisions of law:

(*a*) Compensation for injuries occurring during the performance of approved volunteer services pursuant to 5 USC 8101–8152.

(*b*) Claims of damages or losses pursuant to 28 USC 2671–2680.

(*c*) Privacy Act and Freedom of Information Act regulations regarding the maintenance of records on individuals pursuant to 5 USC 552a.

(*d*) Criminal conflict of interest laws pursuant to 18 USC 201–225.

(2) Volunteers will be considered employees of the NAFI/entity when providing services to an authorized Army NAFI/entity only for the purposes of—

(*a*) Compensation for injuries occurring during the performance of approved volunteer services pursuant to 5 USC 8171–8173.

(*b*) Claims for damages or losses pursuant to 28 USC 2671–2680 and 10 USC 2733.

h. Volunteers may be used to assist and augment the regularly funded workforce by performing an apportionment of a required function. However, they may not be used to totally or permanently substitute for unfilled positions or replace paid employees. Volunteers will not perform duties that otherwise circumvent the Civil Service system or for which funding has been provided to hire staff or obtain services by contract.

i. The provisions of Section 637 of the National Defense Authorization Act for fiscal years 1988 and 1989 will apply. No DOD official will, directly or indirectly, impede or otherwise interfere with the right of a spouse of a military member to pursue and hold a job, attend school, or perform voluntary services on or off a military installation. Additionally, no DOD official will use the preferences or requirements of a DOD component to influence, or attempt to influence, the employment, education, or volunteer services decisions of a spouse.

j. Background checks and standards for acceptance and use of volunteers for Child and Youth Services and Family Advocacy Programs will be the same as those prescribed in AR 608–10 and AR 608–18.

k. Voluntary services may be accepted from civilian personnel from both the military and civilian communities and military personnel and their Family members.

l. Contributions and achievements may be acknowledged through appropriate recognition programs funded from NAFs (see chap 5).

m. Voluntary services will be recorded and retained by the receiving program until determined no longer required.

n. MWR programs and other NAFIs will use DA Forms 4162 (Volunteer Service Record) and 4713 (Volunteer Daily Time Record) prescribed in AR 608–1 for the recording of volunteer services.

o. DA Form 5671 (Parental Permission) will be used to obtain parental permission when accepting voluntary services from unmarried Family members under age 18. AR 608–1 prescribes the use of this form.

13–25. Volunteer services by student interns (5 USC 3111)

a. Voluntary service may be accepted from students, with the permission of the institution at which the student is enrolled, as part of an agency program established for the purpose of providing educational experiences for the student. The student will not be compensated for the experience.

b. Program managers will contact their local personnel office for applicable Office of Personnel Management guidance.

c. Volunteer student internships do not fall under the Army’s Installation Volunteer Program.

13–26. Gratuitous services

The provisions in AR 608–1 will apply to individuals providing gratuitous services to MWR programs and NAFIs.

Chapter 14

Morale Welfare Recreation Personnel

Section I

Management

14–1. Overview

The MWR work force includes military and APF and NAF civilian personnel. Although military personnel and each category of civilian employees are included in separate personnel management and professional development systems, MWR managers must manage all fairly and equitably in accordance with applicable policy. Sources are—

a. AR 570–4 for general manpower management and use.

b. This regulation, including appendix D, for MWR staffing and use of military personnel in support of MWR programs.

c. AR 614–200 for enlisted personnel management.

d. AR 215–3 for NAF personnel and manpower management and part-time employment of enlisted personnel.

e. The Caregiving Personnel Pay Program (March 1990) for Child Development Services.

f. Office of Personnel Management.

g. AR 690–series.

h. PL 107–314, Section 323.

14–2. Implementation

a. Requirements for military and APF and NAF personnel are authorized and will be budgeted separately. Budgets include provisions for training, travel, and all other personnel-related expenses.

b. Except as otherwise provided for in this regulation and AR 215–3, the servicing CPAC–NAF will provide personnel management support for NAF civilian employees on the same basis as for APF civilian employees.

c. Program managers will have approval authority over the work schedules of all assigned personnel including overtime hours for civilian employees. Managers will reconcile work schedules with time and attendance records and submit required documents to the servicing finance and accounting office (FAO) or CAO.

d. Military personnel employed by MWR programs on off-duty time may not be paid from APFs.

Section II

Requirements

14–3. Requirements for appropriated fund positions

a. Garrison commanders will ensure that all APF positions, military and civilian, will be properly established or validated in accordance with AR 570–4 and this regulation. APF personnel resources will be used to support MWR programs as authorized in this regulation. Resulting requirements are approved per AR 570–4. In addition to the specific authorizations in appendix D, APF personnel performing the following common support functions are authorized:

(1) HQDA and IMCOM Region levels management functions. The following criteria must be met:

(a) A person will perform functions related to regulatory requirements and devote most of the duty day to developing or implementing policy, monitoring compliance and providing oversight, conducting onsite inspections, reviewing program performance, or providing direct administrative support to the aforementioned functions.

(b) Functions actually performed will match the job description and be included in the organization’s mission and functions statement.

(c) The persons performing the functions will not directly operate a program that generates revenue (see para 12–2c(14)).

(2) Garrison-level command supervision. These are functions for general management and operation of more than one MWR program, including:

(a) Directors, division chiefs, and their assistants.

(b) Comptrollers and FAOs.

(c) CAOs.

(d) Administrative support positions directly related to the above.

b. When both APF and NAF functions are performed by the same office, APF functions will qualify for APF support.

c. For military personnel temporarily assigned or detailed to MWR programs, see appendix D and AR 570–4 and AR 614–200.

d. Civilians will be used to staff MWR programs to the maximum practical extent consistent with SOFAs and country-to-country agreements and treaties.

14–4. Requirements for nonappropriated positions

a. DA Form 5556 (Personnel Requirements Document) (PRD) documents NAF personnel requirements. The PRD, functionally similar to the TDA, which documents APF personnel requirements, is used by management to control authorization levels and for budgeting, developing 5-year plans, and pricing strategies. The CPAC–NAF uses DA Form 5556 as a basis for NAF staffing actions. A sample of a completed DA Form 5556 and instructions for using the form are on the MWR website, www.armymwr.org, in the policy documents under Human Resources.

b. Each NAFI/entity employing NAF personnel will maintain a PRD. Upon annual approval, the Director, FMWR will ensure that the MWR 5-year plan includes sufficient NAF resources and budgets to meet projected NAF personnel expenses.

c. The PRD is based on validated positions. Additional considerations included in the preparation of the PRD include—

(1) The PRD will indicate those positions that are authorized APF support (under the DOD MWR USA/UFM (paras 5–2 and 5–3)) whether or not APFs are available to reimburse the expenses of the employee occupying the position.

(2) Excess flexible personnel requirements are included on the PRD, because flexible employees only require obligation of funds for hours actually worked. Excess regular requirements, however, are not included since they require the obligation of funds, regardless of hours worked.

d. The completed PRD is submitted by each program manager to the servicing financial management office, which will review the submission for accuracy and compare estimated costs with budget guidance. Upon completion of the review, the PRD will be forwarded to the Director, FMWR for coordination and final action by the fund manager/entity administrator. Upon approval by the fund manager/entity administrator, the PRD is submitted to the CPAC–NAF to as-

sign the paragraph and line numbers. The CPAC–NAF will return the PRD to the manager who will insert the name of the incumbent on the PRD.

e. Policies and procedures for filling NAF positions are described in AR 215–3.

Section III

Career Referral Program

14–5. Applicability

The Career Referral Program will apply to GS–09 and above positions and NF–4 and above positions in MWR and lodging programs. This program will not apply to GS–08 and below positions in MWR and lodging programs.

14–6. Appropriated fund positions

See this chapter, section IV, for recruiting, referral, and selection of MWR general schedule employment at GS–09 and above positions. GS–08 and below positions will be filled locally by the CPAC using policies and procedures contained in AR 690–300.

14–7. Nonappropriated fund positions

Policies and procedures for filling NAF positions at all grade levels, including the MWR Career Referral Program, are described in AR 215–3.

Section IV

Recruiting, Referral and Selection for General Schedule Employment

14–8. Recruitment

a. FMWRC administers an MWR referral program to assist garrison commanders in filling APF MWR positions at grades GS–09 level and above. This includes key managerial positions with responsibility for MWR programs, regardless of organization structure and titles, such as the Director, FMWR. The MWR Career Referral Program will be used to fill all MWR covered positions (GS–09 and above) in CONUS commands and activities and is optional for use by OCONUS commands and activities.

b. A DOD/OPM Interchange Agreement allows eligible DOD NAF employees to apply for Federal positions in the competitive service without being referred from an OPM employment register. NAF employees must meet eligibility requirements contained in the DOD/OPM Interchange Agreement.

c. FMWRC performs the following recruitment functions for APF positions:

(1) Posts open continuous announcements on the Army Civilian Personnel Online Web page, www.cpol.army.mil, to locate qualified candidates for referral to commands and activities.

(2) Establishes and maintains a central inventory of applications for selected MWR positions.

(3) Screens applications for eligibility and qualifications.

d. Applicants for APF positions may submit resumes via the internet at www.mwrjobs.army.mil; by e-mail to refmwr@cfsc.army.mil; or by mail to the Commander, Family and Morale, Welfare and Recreation Command (IMWR–HR), 4700 King Street, Alexandria, VA 22302–4407.

14–9. Referral

a. Employing activities will submit a request for referral to FMWRC, at the above address, for all permanent fulltime MWR position vacancies, GS–09 and above, except as noted in this paragraph. The request must include an SF–52 (Request for Personnel Action) and a position description. Recruitment for vacancies in the 1410 series (Librarian) will be in accordance with the policy and procedures for the Army civilian career program CP 34.

b. FMWRC will prepare and issue DA Form 2600 (Referral and Selection Register) or equivalent electronic notification to employing activities for use in selecting qualified candidates. Referral lists will provide the names of qualified candidates who are promotion, reassignment, transfer, and reinstatement eligible, if appropriate. Local recruitment may be authorized if there are fewer than three candidates available for referral.

c. Referral lists will specify expiration dates. Unless a formal request for an extension of the expiration date is granted by FMWRC, referral lists will be invalid on the date specified.

d. Referral lists will not be required under the circumstances outlined in AR 690–950.

14–10. Selection

- a.* Selection will be made from the FMWRC referral lists unless local recruiting authority is authorized by FMWRC.
- b.* If all candidates are considered unacceptable, the servicing CPAC must provide FMWRC valid reasons for nonselection from the list before a supplemental list is issued or local recruitment is authorized. When Local Recruitment Authority is requested, an Armywide vacancy announcement will be issued by the MWR Career Referral Office. If there is still an insufficient number of candidates, local recruitment authority may be authorized.
- c.* When selection involves promotion of an acceptable candidate, the selecting official will record the reasons for selection on the referral list.
- d.* Upon final selection, the selecting official will notify the CPAC, which will coordinate directly with the losing CPAC. The gaining CPAC will notify FMWRC of the selection and return the referral list.
- e.* Normally, the selected employee will be released from the current position within 15 days if the selection involves a promotion and within 30 days if no promotion is involved.

14–11. Use of Office of Personnel Management certificates of eligibles

FMWRC may authorize use of OPM certificates of eligibles only after the employing activity certifies that candidates on the FMWRC referral list do not meet the requirements of the position. The employing activity must clearly show that referred Army candidates do not have the experience, skill, knowledge, or ability to perform the duties of the position in an acceptable manner. Before selection is made from an OPM certificate, the CPAC will determine that the proposed selection from a certificate has superior qualifications to the Army candidates.

Section V

Training and Professional Development

14–12. Guidelines

Every individual assigned to or employed in an Army MWR program will have necessary educational opportunities to enhance near-term qualifications, efficiency, and productivity and to ensure long-term career development and progression. Training and career development guidance for Career Field 51 (MWR) will be issued by FMWRC. Other policies governing the planning and conduct of training and career development include—

- a.* AR 614–200 and applicable MOS training and development policy for military enlisted personnel.
- b.* AR 690–950 for APF civilian employees.
- c.* AR 215–3 for NAF civilian employees.

14–13. Implementation

- a.* Except for requirements included in established military and civilian career development programs or a career field Army Civilian Training, Education, and Development System (ACTEDS) plan and mandatory training prescribed by HQDA or IMCOM Regions, primary responsibility for MWR personnel development will rest with the local management, as the responsibility of all supervisors. Generally, individual plans are the responsibility of the supervisor or manager who writes the employee's performance appraisal. Plans developed will be designed to complement the employee's professional development goals and satisfy requirements for employment and occupational, technical, or career development factors.
 - b.* Training related management functions include, but are not necessarily limited to, the following:
 - (1) Developing individual training and professional development plans, including development of individual plans in performance standards of managers and supervisors.
 - (2) Scheduling of time and programming of resources to support plans and monitoring fulfillment.
 - (3) Assigning duties and responsibilities that reinforce training received, conducting on-the-job or cross-training programs to supplement formal training, identifying other requirements, and providing for general, unique, or specialized training or experience in addition to that prescribed in plans.

14–14. Individual training and professional development plans

- a.* The period of each plan will coincide with the performance appraisal cycle, although longer term plans may be developed to accommodate career growth.
- b.* Training plans include those that are successfully completed as a condition of employment, whether prescribed by DA or the employing activity or mandatory, and included in individual training plans.

14–15. Headquarters, Department of the Army training

a. The ACTEDS plan for Career Field 51 (MWR) is a structured, progressive, and sequential approach to employee development and training for entry-level through executive-management positions. It identifies training that is mission essential and the employee will need to support and/or achieve an acceptable performance level. Equivalency credit for CFS Management Course may be obtained by taking the course online at www.mwraonline.com. Contact the MWR Academy for details at U.S. Army MWR Academy, Poplar Run Office Park, 5285 Shawnee Road, Alexandria, VA 22312.

b. Equivalency credit for other MWR functional requirements is considered by FMWRC for Career Field 51 (MWR) on a case-by-case basis.

c. For Equivalency Credit for Mandatory Priority II MWR Functional Training, a written request may be submitted to the U.S. Army MWR Academy at the address above. Requests will identify competencies (knowledge, skills, and abilities) obtained through work experience, formal education, correspondence study, or self-development. Request will include supporting documentation, such as an SF 50 (Notification of Personnel Action) or DA Form 4017 (Request for Personnel Action–Nonappropriated Fund Instrumentality), verifying dates of work assignment, transcripts, and description of formal education courses. The first-line supervisor and the garrison Director, FMWR will endorse requests.

d. Training, which is included in job announcements for MWR management positions, is centrally funded. To apply for training, go to www.mwraonline.com.

Chapter 15

Morale, welfare, and recreation Planning and Programming

Section I

Installation Morale, Welfare, and Recreation 5–Year Plan

15–1. Overview

The basis for garrison MWR planning is the MWR 5-year plan. Updated annually, it is the management tool for justifying program elements and using resources. The 5-year plan documents—

a. Changes needed, as determined by market research, projected funding capability, and assessment of program alternatives.

b. Priorities established in the assessment process and actions needed to meet requirements.

c. Confirmation that the DOD required revalidation of NAFIs and MWR operations complies with chapter 3.

15–2. Guidelines

At a minimum, plans will integrate results of—

a. Comprehensive review. This includes an annual comprehensive review and consideration of all planning documents related to MWR operations.

b. Annual MWR needs assessment. If used, attitude and opinion surveys will be conducted in accordance with AR 600–46 and will include—

(1) Patron demographics: distribution of eligible population by grade, sex, age, marital status, and Family members of active duty military population with percentage residing on post; retired and RC service members and full-time DOD civilian employees residing in the local community; and other eligible patrons.

(2) Unique considerations: availability of similar private and public sector services; population life-style traits (interests, use of spare time, opinions); environmental, force protection, and geographical factors that may impact decisions.

(3) American lifestyle trends: regional, national, and industry data, program-specific forecasts, general market projections for purchasing, leisure time patterns by age group, and predicted changes in American Family demographics.

(4) Alternatives: identification of potential program or facility realignments, to include elimination, expansion, replacement, consolidation, or integration, and potential nontraditional methods for delivering services. In addition to reviewing availability of private and public sector services, contractor services will be investigated, considered, and used when appropriate.

c. Priorities: community conditions and projections and the needs of services will be the evaluative basis for determining priorities (not the availability of resources). Program elements will be prioritized in a continuum, ranging from those that are given top priority to those that add variety to the overall program. A program's impact on military readiness requirements and the physical and emotional needs of Soldiers will distinguish it for higher priority placement. Because priorities are garrison unique, garrisons may not have every authorized MWR program.

d. Financial management strategies: APF and NAF resourcing and local pricing necessary to satisfy current commitments and out-year priorities established in the planning process are delineated by fiscal year, funding source, and application of funds. Use of APF and NAF will be justified. Funding will be integrated into the POM requirement.

Section II

Construction Planning

15-3. Overview

a. One result of the garrison MWR 5-year planning process is improved and sustainable facilities. The need to construct new ones or close or renovate existing ones will be validated. Broad requirements will translate into specific facility requirements, the programming of sufficient APFs and NAFs, and the approval of projects that meet overall MWR needs.

b. This section describes APF and NAF construction programs but provides details only on NAF construction. Regulatory and procedural references for APF programs and additional references for funding MWR construction are in table 15-1.

Table 15-1
Reference on use of appropriated funds, nonappropriated funds, and private funds for morale, welfare, and recreation construction

Funding	APF ¹	NAF ²
Funding limitations	AR 420-1	Appendices D and E and AR 215-7
Facilities authorized	Appendix E	Appendix E
Work authorized	MCA, AR 420-1; Operations and Maintenance, Army; minor construction; other, AR 420-1 maintenance & repair, AR 420-1	NAFMC, AR 420-1; CPMC, appendixes D and E, and AR 420-1
Construction	Appendix E	Appendix E
Combined funds (APF and NAF)	AR 420-1	AR 420-1
Private funds	AR 420-1	AR 420-1

Notes:

¹ APF and NAF. Environmental compliance is in AR 420-1; proponent is the Office of the ACSIM (OACSIM) (DAIM-FDR).

² NAF. Project siting is provided in AR 420-1; proponent is the OACSIM (DAIM-FD).

15-4. Guidelines

a. SRM and construction requirements will be coordinated with the installation DPW. All existing and planned MWR facilities will be included in the installation master plan to ensure that funds are programmed for design, site preparation, project supervision, inspection, and acceptance.

b. Construction to support MWR programs are funded from either APF or NAF construction programs, as specified in appendix E. Requirements associated with category A programs will be funded from APF construction programs; generally, those for category B and C programs will be funded from NAF construction programs unless otherwise specified in appendix E or exempted within this chapter.

c. Construction projects jointly financed by APFs, NAFs, or private funds in any combination will be subject to the following:

(1) Projects will be planned, programmed, and budgeted in both APF and NAF construction programs and submitted at the appropriate time within APF (MCA) and NAF cycles for the same fiscal year.

(2) Submissions will include a full disclosure of the scope of the project and anticipated total cost.

(3) No dual-funded project will be undertaken without prior written approval of—

(a) The IMCOM Region for projects with construction costs up to \$750,000.

(b) The Facilities and Housing Directorate (DAIM-FDR, OACSIM) for projects with construction costs between \$750,000 and \$1.5 million.

(c) The Office of the Deputy Assistant Secretary of the Army (Installations and Housing) for projects with construction costs exceeding \$1.5 million.

(4) For additional details on using NAFs for construction, see AR 420-1.

d. NAF construction projects may receive APF funded services subject to availability of resources as authorized by appendix D.

e. All NAF construction projects costing \$750,000 or more must have a commercial Project Validation Assessment (PVA). The PVA will be contracted for and funded by FMWRC. Installations may elect to self-fund a PVA, but only with the stipulation that a resultant project, if approved, would be 100 percent funded by the responsive garrison. Funding for the PVA would be transferred to FMWRC for execution. Garrisons and IMCOM Regions will not conduct or contract for PVAs. Only projects approved by the Capital Investment Review Board will be advanced through the PVA process.

f. The U.S. Army Corps of Engineers (USACE) AEI provide initial project planning; however, NAF construction plans will conform to applicable commercial building codes as appropriate depending on the type and location of the project. The size and square footage allocated to each project will be based on the PVA. NAF major construction projects will require a commercial PVA to determine facility size. The Army Criteria Tracking System and AEI will be used as planning guides per AR 210–20.

g. Designs provide for multipurpose use with clearly defined functional areas wherever possible. Energy-efficient features will be included to the maximum practical extent; moreover, NAF facilities will comply with the Federal Energy Management Standard defined in EO 13123.

h. Transfer, conversion, diversion, or disposal of real property is subject to the following:

(1) Installations will request FMWRC (through command channels) approval of diversion or conversion of any facility that was constructed or converted by renovation for MWR programs, if the conversion or diversion is to a non-MWR 5-digit real property category code.

(2) The garrison commander (or designee) will notify FMWRC (through command channels) of the proposed disposal of any MWR facility under the provisions of AR 405–90. Notification will be sent to Commander, Family and Morale, Welfare and Recreation Command (IMWR–CO), 4700 King Street, Alexandria, VA 22302–4405.

(3) Paragraph 15–4h(1) and (2) also apply to all facilities in basic real property category codes 740 (Community Facilities, MWR Interior) and 750 (Community Facilities, MWR Exterior) except those facilities belonging to AAFES (see DA Pam 415–28 for listing of real property category codes).

15–5. Construction programs

a. *APF construction programs.* APF construction projects will be funded by the MCA program for projects costing \$750,000 or more. Construction projects costing less than or equal to \$750,000 are funded from the installation's operation and maintenance funds.

b. *NAF construction programs.* NAF construction projects will be funded by—

(1) The NAFMC program for—

(a) Real property construction projects with construction costs of \$750,000 or more.

(b) Community facility construction projects listed in appendix E that require NAF construction funding.

(2) The CPMC program for—

(a) Any single item, group purchase, or real property construction project costing less than \$750,000 and capitalized per DOD 7000.14-R, Volume 13, chapter 3 and DFAS-IN 37-1 Regulation, Chapter 32.

(b) Any project budgeted at less than \$750,000 that exceeds that amount because of foreign currency exchange fluctuations, in accordance with the annual budget guidance and instructions memorandum from FMWRC, is not considered as major construction regardless of the final amount.

(c) Applicable elements of expense listed in appendix D.

c. *The AAFES construction program.* Funding will be as specified in AR 215-8.

d. *Post Restaurant Fund and Army Civilian Welfare Fund construction projects.* Funding will be as specified by AR 215–7.

15–6. Facilities funding

The funding source for all program groups of NAFIs is outlined in appendix E. Appendix E will be used for each construction project, whether minor or major. It also addresses any exception to designating the type of funding to be used for a construction project.

15–7. Nonappropriated fund approval authority

a. *NAF CPMC.*

(1) The garrison commander will be the approval authority for projects less than \$200,000 that have received budget approval by the IMCOM Region director. The IMCOM Region director is the approval authority for all CPMC projects

\$200,000 to \$750,000. Funding increases for CPMC projects of up to 25 percent of cost and 10 percent of scope may be approved by the IMCOM Regional Director if change is necessitated by factors beyond installation control. Further delegation of these approval authorities is not authorized.

(2) Annually, OSD provides to the Congress a list of all construction projects included in the FY CPMC program. To ensure all projects are reported to OSD, FMWRC requires an information copy of the DD Form 1391 (Military Construction Project Data) upon approval by the IMCOM Region director. FMWRC will then forward the copy to the Deputy Assistant Secretary of Defense (Installations and Housing).

(3) Any subsequent additions, deletions, deferments, or modifications on CPMC projects will be reported to FMWRC.

(4) Incremental or phased construction projects will be approved based on the final total cost. For example, a phased project of 3 years at \$300,000 per year is approved as a NAFMC project for a total of \$900,000 before starting construction on any phase.

b. NAFMC program process.

(1) All Army-approved NAFMC projects (\$750,000 and above) will be reported in the annual Nonappropriated Funded Construction Projects Report to Congress, per AR 420-1. No contract that obligates construction monies will be awarded on any NAFMC project until Congress approves the project.

(2) NAFMC programming and construction is a process from guidance to construction completion, consisting of programming guidance, budget/design, execution and sustainment. It differs from the MCA program process by allowing the guidance year and budget/design year to overlap. Elements of the process are—

(a) Programming guidance phase. The fiscal year in which planning begins is the programming guidance phase. Guidance (issued second quarter) will include general instructions, current policy, and funding guidance. IMCOM Regions will refine MWR 5-year plans, prepare priorities, and submit annual programs. Project documents listed in paragraph 15-9a will be due at FMWRC by 1 May (or as specified in annual guidance issued by FMWRC).

(b) Budget/design phase. After the programming guidance phase (the period during which PVAs are completed), the design process will begin and projects will be reviewed by the Capital Investment Review Board (CIRB) (see app B). The Assistant Secretary of the Army (Installations and Environment) (ASA (I&E)) and ASA (M&RA) will review and approve for submission to OSD and Congress. Upon approval, FMWRC will obtain design release from the ASA (I&E) and proceed with design.

(c) Execution phase. This phase will start with congressional release. Upon release from Congress, design will be completed and the project advertised. The contract will then be awarded for construction and administered through beneficial occupancy date. Contracts that are not awarded within 2 years of congressional release will be either resubmitted the following year or canceled.

15-8. Review for funding

a. The AMWRF will pay 100 percent of total project cost (TPC) for approved projects. TPC includes construction cost, design, and furniture, fixtures, and equipment. Construction cost is the programmed amount (rounded) on DD Form 1391 and includes installed equipment; contingency; and supervision, inspection, and overhead. Design cost will be 10 percent of the programmed amount and will include engineering.

b. Garrisons will program for and fund—

(1) All supplies, expendables, and related opening costs.

(2) All environmental requirements (including Environmental Assessments, Environmental Impact Studies, and Hazardous Waste/Unexploded Ordinance Surveys and Removal, and Asbestos and Lead Paint) are provided by the garrison. These requirements will be initiated by the garrison to be funded with APF, unless unavailable and a waiver from the garrison commander is obtained, at the appropriate time to ensure resolution of deficiencies and final studies before advertising the project for construction. Siting, as defined in AR 420-1, will be used when selecting potential sites for NAFMC projects. Demolition costs will be budgeted separately by the garrison; they are not a NAFMC requirement unless criteria defined in AR 420-1 are exceeded. All utilities will be provided to the 5-foot line of the facility.

c. Prior to congressional release—

(1) The CIRB-approved projects will be referred to the Soldier and Family Readiness Executive Committee (EXCOM) for endorsement.

(2) Design funds will be released for projects in the current budget/design phase, based on availability of AMWRF resources.

(3) The FMWRC will submit projects to the ACSIM for consolidation with AAFES projects, which will result in the Army's annual Nonappropriated-Funded Construction Projects Report.

(4) The OACSIM will submit the report through the ASA (M&RA) and ASA (I&E) to OSD for forwarding to Congress.

d. Following congressional release—

(1) The Commander, FMWRC, will approve and authorize AMWRF funding increases of up to 25 percent of cost and 10 percent of scope for CPMC and NAFMC projects if change is necessitated by factors beyond garrison control. Projects with increases exceeding 25 percent of cost or 10 percent increase of scope will be resubmitted to the IMCOM Commander and Congress.

(2) Elective changes not specified in the CIRB approved DD 1391 will be funded from local resources to include design and construction costs. For these changes—

(a) The garrison will submit a change request to its IMCOM Region, fully describing the change with a total cost estimate (design, construction costs, contingencies, and overhead fees).

(b) If the IMCOM Region concurs, the request will be submitted to a CCB chaired by a FMWRC project manager, with representatives from the IMCOM Region's office and the executive agent's technical representative.

(c) The CCB will review cost, scheduling, and scope impacts, and make a recommendation to the IMCOM Region. If the IMCOM Region approves the recommendation and funds the total cost of changes, the FMWRC project manager will inform the contracting officer to proceed, pending required approvals. If approved, the IMCOM Region will provide funds to FMWRC.

(d) Upon receipt of funds, FMWRC will inform the contracting officer to initiate negotiations concerning the change with the contractor.

(e) The funding liability of the garrison will be adjusted at the end of negotiations. If additional funds are required, they will be certified as available before the contract modification is signed. If costs are reduced, excess funding will be returned to the garrison.

15-9. Project documentation

a. NAF major construction projects. DD Form 1391, as specified in AR 420-1, will be submitted electronically via the DD 1391 processor. NAFMC project documentation will generally be the same as MCA project documentation but include the following additional requirements:

(1) A return on investment analysis vice the MCA DD 1391 economic analysis, prepared by the PVA contractor per paragraph 15-11, will be included in the PVA report.

(2) The Determination and Certification of Actual Need, Parts I and II, will be entered in Tab C, Miscellaneous Support Data of the DD Form 1391, per AR 420-1.

b. NAF minor construction projects.

(1) Electronically submitted DD Form 1391, to include sections 1-4.

(2) Return on investment (ROI) analysis.

(3) DOD NAF construction program garrison commander certification.

c. Dual-funded projects. Documentation required by AR 420-1 will include detailed justification and differentiate between portions of the facility to be funded by APFs and NAFs. Funding will comply with appendix E.

d. Phased projects. Documentation for projects involving phased construction will provide full justification and description of scope, cost, and timing of all increments. Documentation will be submitted during the initial phase.

15-10. Sustainment, restoration, and modernization

a. See appendix D for the funding source for MWR facility SRM.

b. When the use of NAFs in lieu of authorized APFs can be justified in accordance with the policy in appendix E, local NAFs may be used.

(1) Approval authority for NAF SRM projects, project review procedures, dollar levels of approval, and documentation requirements are contained in AR 420-1. DD Form 1391 submitted for NAF SRM will contain a justification statement on the use of NAFs where APFs are authorized, signed by the garrison commander.

(2) Work classification disputes and issues will be referred to the Deputy Chief of Staff for Installation Management (DAIM-FDF-ER), 600 Army Pentagon, Washington, DC 20310-0600.

(3) Expenditure of NAFs will be only for authorized MWR functions in accordance with this regulation.

(4) SRM will not require congressional reporting.

15-11. Return on investment analysis

a. ROI analysis is a comparison of factors to develop projected cash flow requirements and to project financial impacts of a planned NAFMC project.

b. ROI analyses will be used by—

(1) Garrisons to assess the financial impact of planned projects, compare alternatives, and develop plans and budgets.

(2) IMCOM Regions to assess the relative merits of NAFMC projects submitted by the same garrison and similar projects submitted by different garrisons.

(3) The CIRB to evaluate project funding capabilities.

c. Use of ROI analyses at any level to compare competing projects will be limited to comparison of similar projects. Category C MWR projects will not be compared to nonincome generating projects. (This could limit the construction program to businesslike operations such as clubs and bowling centers, excluding arts and crafts centers, recreation areas, and other facilities from funding consideration.)

d. Supported by the MWR 5-year plan, analyses prepared for projects of nonincome producing programs will include as much supplemental information as needed to show a clear or urgent need and the impact on the installation and its population if a project is not approved or funded.

(1) The post-construction validation review (PVR) is intended to provide accountability for information provided in the PVA for approved NAF construction projects. The intent is to facilitate the comparison of actual financial performance, which was forecast for the project in the PVA study.

(2) The financial performance will be gauged by measurements such as revenue, costs, net income before depreciation, and appropriated fund support. In assuring successful financial performance, management will be attentive to realistic expectations for the project, early warning signs of deviations, preventative and/or corrective actions and assurance of successful project realization.

(3) IMCOM Regions will receive annual reporting guidance.

(4) The results of the PVA will be presented to the CIRB for review and discussion.

e. Program definitions are as follows:

(1) PVA: A contractor prepared study to determine the feasibility and cost of a proposed NAFMC project.

(2) TPC: The total cash outlay required to implement a project. It will include, but is not limited to, design, supervision and administration, construction, and furniture, fixtures, and equipment.

(3) DD Form 1391: A military construction project data form used for programming, budgeting, and execution.

(4) Operating cash flows: The resulting net cash inflow or outflow generated by a project. Net income before depreciation (NIBD) is a loose approximation of net cash flow resulting from operations.

(5) Discounted cash flow: The adjustment of project cost and operating cash flows to reflect the time value of money.

(6) Discount rate: The percentage by which cash flow is adjusted to estimate the current financial benefits or costs of a project. Also known as the "hurdle" rate.

(7) Project life: The projected number of years that a facility is expected to operate. For purposes of this regulation, project life is assumed to be 30 years.

(8) Present value: The value of future funds expressed in terms of current dollars. Present value tables are available in most financial management texts.

(9) Net present value: The result after discounted cash outflows are subtracted from discounted cash inflows.

(a) If net present value is positive, the planned project will provide greater financial benefit to the fund than would be gained by investing the project cost at the discount rate.

(b) If net present value is negative, investing the project cost at the discount rate will provide greater financial benefit to the fund than would be gained by building the planned project.

(c) If net present value is zero, each alternative (investing or building) will be equal.

(10) PVR: An analysis of ROI after 1 year of operation versus return on projected ROI provided by the PVA contractor.

f. An Excel template with instructions for completing the NAFMC financial review and analysis is available from FMWRC and can be accessed through the Army MWR home page, www.armymwr.com.

15–12. Public-private venture projects

a. PPV projects are another means of providing MWR facilities that are unattainable through traditional funding sources. PPV projects are private-sector built, operated, and maintained facilities or services on Government-owned/leased real estate in exchange for discounted fees and/or service at an equitable return to the garrison MWR operating entity. PPV projects deliver morale-enhancing programs with private sector expertise while avoiding capital investment costs and simultaneously producing cash dividends directly to the garrison MWR operating entity.

b. Per DODI 1015.13, potential PPV projects are limited to category C programs listed in figure 3–1 of this regulation.

c. FMWRC is the sole Army agency authorized to negotiate and award contracts for PPV projects. If a garrison wants to pursue privatization of a project for which AAFES has primacy, the garrison must obtain HQ AAFES approval through the installation AAFES general manager to AAFES headquarters at Army and Air Force Exchange Service (PL–P), P.O. Box 660202, Dallas, TX 75266–0202. Garrisons may submit PPV project requests via memorandum through

their IMCOM Region director to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-COA), 4700 King Street, Alexandria, VA 22302-4403, along with the following information:

(1) Broad scope of the project. An example is a Family entertainment center (to include a bowling center, sports bar, and video arcade for an indoor facility; or miniature golf, water slide/swimming pool, and batting cages, for an outdoor facility). The developer will define a more viable scope, with agreement by the garrison during business plan development.

(2) Brief summary of why the project is required.

(3) Project point of contact name, telephone number, and e-mail.

d. Following the initial intent letter, garrisons must complete a submission package that includes—

(1) *Local congressional and community support for the project.* Local congressional delegation support as well as the support of the local community will be ensured by obtaining letters from local government officials (mayor and city council), the Chamber of Commerce, or other appropriate community/business leaders, indicating they have no objections to a privately developed project. Garrisons must also contact the local congressional delegate for the area to garner support for the project and obtain written notification of support.

(2) *Report of availability (ROA).* The original ROA will be forwarded through the IMCOM Region director and command channels to the Office of the Assistant Chief of Staff for Installation Management (DAIM-MD). Development of the ROA is the responsibility of the garrison, to include any applicable costs. The ROA is necessary in order to grant the real estate to a developer. Following the out granting process in AR 405-80, FMWRC will request USACE to develop an estimate of value for the property.

(3) *Additional information.* The following information will be attached as separate enclosures to the packet. The majority of this information will be included in the request for proposal to provide prospective developers with an understanding of the installation and the proposed project:

(a) An executive summary description of the installation.

(b) A copy of the approved master plan that shows the site location.

(c) Basic information site maps (for example, topography, utilities) and approximate area size.

(d) A copy of the installation design guide executive summary.

(e) Copy of the HQ AAFES concurrence (see paragraph 15-12c), if applicable.

(f) Demographic information to include military, Family members, retirees, civilians, and the local civilian community population.

(g) Name of the county in which the installation is located.

(h) Authorized patrons of the facility. Include authorized users (for example, military and reserve members, retired military, DOD civilians, and Family members of the above). If the garrison plans to open the facility to the public, then they must obtain the necessary approvals (see table 7-1).

(i) Details of any utilities to be provided and, if so, which ones and what rates will be charged to the developer.

(j) Any police/security and fire protection services to be provided by the local community or the installation and whether any costs are involved.

(k) If a proposed PPV is to replace or supplement an existing facility, a statement explaining why a new facility is needed and information on usage of the existing facility; if PPV is for a revenue-generating facility, current financial statements, patrons, and other pertinent information will be included.

(l) Any other information that may be relevant to the project and of interest to potential developers.

(m) Points of contact for both the garrison and the IMCOM Region.

(n) Any known local companies or other sources that may be interested in the project.

(o) Names and telephone numbers of local community newspapers for solicitation advertisement.

(p) Any additions or deletions to the requirements above reference the PPV submission process will be issued separately by FMWRC.

e. FMWRC will facilitate the PPV process, including—

(1) Obtaining all required HQDA, OSD, and Congressional approvals for use of the land and seeking private sector interest.

(2) Soliciting private sector interest through issuance of a request for proposal.

(3) Developing contractual agreements with an experienced provider in coordination with the garrison.

(4) Continuing review of the contractor's operational performance to assure the garrison receives its negotiated return.

Chapter 16 Financial Management

Section I

Administration

16–1. Overview

Financial management encompasses planning, control, evaluation, and accountability. Primary areas include safeguarding APF and NAF assets through proper use of management controls, maximizing use of capital through efficient cash and capital budgeting, and identifying operating opportunities and problems through the preparation and use of budgets and financial analyses. Civilian NAFIs (welfare funds and post restaurant funds) and Army Lodging Program NAFIs are not subject to the provisions of this chapter unless stated otherwise in this and other governing guidance. Questions and requests for exception to or deviations from requirements in this chapter are submitted through the applicable IMCOM Region and chain of command to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR–FM), 4700 King Street, Alexandria, VA 22302–4406.

16–2. Financial management responsibility

- a. The installation director of resource management manages APFs.
- b. The Director, FMWR will controls all garrison NAFs, to include UFM and being the entity administrator for the garrison MWR operating entity and the point of coordination for NAF financial management for supplemental mission funds and other MWR funds on the garrison. This is accomplished through the MWR chief, financial management division (FMD) or equivalent and garrison (or centralized) CAO.
- c. All employees have fiduciary responsibility for properly using NAF and APF and preventing and reporting suspected waste, loss, or unauthorized use of NAFs (see chap 4, sec II).

16–3. Successor-in-interest

The successor-in-interest NAFI may provide financial support and assistance to specified or assigned NAFIs/entities, as required, and will assume all outstanding liabilities or receive the residual assets of NAFIs/entities following their dissolution.

- a. The IMCOM Region director, through the region single MWR fund, is the successor-in-interest to all Region level NAFIs and to all garrison MWR operating entities within the IMCOM Region. When a Region single MWR fund does not exist or IMCOM Region resources are not adequate, the IMCOM Region director may cross-level funds within the IMCOM Region and among other IMCOM Regions with concurrence from the HQDA Commander, IMCOM.
- b. The ACWF is the successor-in-interest to all installation Civilian Post Restaurant Funds and Civilian Welfare Funds (see AR 215–7).
- c. The Hospitality Management Fund is the successor-in-interest to Edelweiss Lodge and Resort, Dragon Hill Lodge, ARMP Operations, the Hale Koa Hotel, and AFRC–Orlando (Shades of Green) NAFIs.
- d. The AMWRF is the successor-in-interest to—
 - (1) All IMCOM Region single MWR funds, only when all IMCOM Region single MWR funds are insolvent.
 - (2) HQDA NAFIs, joint services or DOD NAFIs when specifically designated as executive agent by DOD issuance, and joint Services or DOD NAFIs established pursuant to Army policy where the AMWRF has been specifically designated as the successor-in-interest.

Section II

Cash Management

16–4. Funding standards

The DOD basic standard, regardless of category, is to use APFs to fund 100 percent of authorized expenditures. Total expenditures for measuring compliance with these standards will be computed by adding total APF support (both direct and indirect, not including military construction) to the total NAF support (total expenses less cost of goods sold and depreciation). To obtain APF support as a percent of total expenditures, the amount of APF support is divided by the total of APF support plus NAF support.

- a. *Category A.* Category A programs are entitled to the highest degree of APF support, and virtually all expenses should be supported with APFs. However, Category A programs at garrison level are frequently collocated with other

minor functions (incidental resale/revenue producing activities) that are not authorized APF support. These functions are considered category C for funding purposes and should be reported in that category if their size is significant or they are not integral to program delivery. In many cases, their small size makes it impractical to break them out and report them separately from their parent category A program. For these reasons, the DOD APF standard for category A is a minimum of 85 percent of total expenditures.

b. Category B. Category B programs also frequently include incidental resale/revenue-producing activities integral to the category B program. As in category A, these functions are considered category C for funding purposes and should be reported in that category if their size is significant or they are not integral to program delivery. The DOD standard for APF funding is a minimum of 65 percent of the total expenditures.

c. Category C. APF support to category C is limited to that support specified in appendix D.

16-5. Total cash management

All Army NAFIs (includes supplemental mission NAFIs) and garrison MWR operating entities are required to generate sufficient cash when coupled with existing funds, to permit the NAFI/entity to fund all of its own requirements, both operating and capital, with the exception of NAF major construction funded by the AMWRF. Long-term requirements must be fully covered by adequate cash flow. Each NAFI/entity must produce adequate revenues to cover operating and capital requirements over the short and long term while maintaining a cash-to-debt ratio between 1:1 and 2:1.

16-6. Army simplified dividend distribution

Garrison MWR funds will receive locally generated income from AAFES operated package beverage stores and telephone contract profits as earned, plus a percentage of AAFES revenue generated on the installation. IMCOM Regions and garrisons will be notified in writing annually of the projected percentage for revenue sharing with AAFES. The IMCOM Regions will determine how the monthly ASD distribution is allocated to their garrisons.

16-7. Army recreation machine program distribution

a. Net income from the ARMP will be distributed directly to the ARM Trust. ARM profits are split between the ARM Trust Fund and the garrison or IMCOM Region. IMCOM Regions or garrisons will be notified of their proportion of ARM profit distributions. ARM profit distributions are based on a pro-rata share of profits for the preceding month. The IMCOM Regions will determine how the monthly distributions are allocated to their garrisons.

b. Overseas MWR programs that house ARMP provided recreation machines will be reimbursed for ARMP related operating expenses at a specified percentage.

16-8. Army Morale, Welfare, and Recreation Fund

Resources of the AMWRF are derived primarily from dividends paid from the AAFES and interest earned from the temporary investment of funds that have been programmed but not yet spent.

16-9. Collections and control of receivables

a. The systematic and effective control of accounts receivable is an essential part of financial management. Fund manager/entity administrators will maintain strict control of receivables and seek advice from the installation SJA, where necessary, to collect delinquent accounts.

b. Debt collection procedures must comply with PL 97-365, 37 USC 1007, and all the provisions of PL 97-365 and PL 104-134. Every attempt must be made to inform debtors of outstanding debts before adverse actions are taken. The following procedures apply:

(1) Attempt to locate debtors through the local military finance or personnel offices.

(2) Send a certified return receipt requested letter similar to the 60-day sample letter provided at http://www.armymwr.org/financialmanagement/fm_debt.aspx. The letter will describe the debt, request payment, and offer a repayment plan and an opportunity to contest the debt. The letter will serve as proof of an attempt to contact the debtor.

(3) If there is no response, seek advice from the installation SJA. Assistance may also be obtained from FMWRC Banking and Investment Office at the address in paragraph 16-1.

c. Confidentiality and thorough record keeping are required to ensure individual rights to privacy. Procedures must be in place precluding unauthorized disclosure or use. Access to individual accounts will be limited to the minimum number of employees necessary, and records must be secured during nonduty hours.

d. To keep the claim against the debt valid, debt collection records should be kept for a period of not fewer than 10 years or the life of the debt, even if debts are written off.

16–10. Loans, advances, and grants

a. NAFIs/entities may neither negotiate for a commercial loan nor obtain a loan from private or commercial sources (includes commercial financing such as by Capital Lease) unless otherwise authorized by FMWRC, Chief Financial Management Officer.

b. NAF assets will not be pledged as collateral for obligations due or payable to private or commercial sources.

c. Loans, advances, and grants between installation Army NAFIs or garrison MWR operating entities will be approved in advance by the applicable IMCOM Region. Written notice with supporting justification will be forwarded to FMWRC at the address in paragraph 16–1 immediately upon approval.

d. Subject to advance approval by the Commanding General, FMWRC, the Army Banking and Investment Fund may lend money from the aggregate Army field NAFI/entity balances to another centrally administered DA NAFI.

Section III

Capital Expenditures

16–11. Nonappropriated fund major construction financing

a. AMWRF resources are devoted primarily to funding NAFMC and other program investments.

b. Any garrison entity or IMCOM Region contribution toward a NAFMC project will be withdrawn from the garrison entity or IMCOM Region bank account as bills on the project are paid.

16–12. Nonappropriated fund capital purchases and minor construction financing

a. All CPMC items or projects will be financed from local garrison entity and/or IMCOM Region resources, except for the furniture, fixtures, and equipment required for a NAFMC project as approved by the CIRB. Furniture, fixtures, and equipment, as detailed in the PVA and at a cost not to exceed that approved by the CIRB, will be paid for by the AMWRF as part of the total project cost.

b. Capitalization criteria for capital purchases, NAFMC, minor construction, and sustainment, restoration, and modernization (SRM) are outlined in DOD 7000.14-R, Volume 13, chapter 3 and DFAS-IN 37-1 Regulation, Chapter 32. Updated guidance, including clarifications, can be found at the Army MWR website, www.armymwr.army.mil, under Financial Management, DFAS, NAF Accounting Guidance, and/or in the heading, NAF Financial Management Guidance.

c. CPMC line item descriptions should include the item or project, program code, and quantity, as applicable.

Section IV

Budgeting

16–13. Budget preparation

Annual budgets prepared for all Army NAFIs/entities (except civilian MWR funds (see AR 215–7)) will comply with specific instructions and procedures issued annually by FMWRC. Each garrison MWR operating entity budget is submitted with the 5-year MWR plan (see chap 15) to the applicable IMCOM Region. Budgets will include the following separate elements:

a. The garrison commander's narrative that includes, at a minimum—

(1) A description of current operations, including goals and objectives reflected in the budget.

(2) Significant changes from the previous year approved budget and actual operations.

b. Specific submission requirements are contained in the annual NAF budget guidance.

c. The following forms are used in the budget process and are prepared using the Financial Management Budget System only. These forms are assigned RCS CSGPA 1716.

(1) DA Form 5318 (FY NAF Annual Operating Budget).

(2) DA Form 5320–1 (APF/NAF Five-Year Financial Plan).

(3) DA Form 5321 (Capital Purchases, Maintenance and Repair, and Minor Construction (Includes Parts A–D)).

(4) DA Form 5322 (Monthly Cash Projection Schedule) (optional use).

(5) DA Form 5911–E (Five-Year Cash Projection Schedule).

(6) DA Form 5911–2 (NAF Major Construction Schedule).

16–14. Budget approval

IMCOM Regions will review and approve garrison budgets and will submit two separate budget packages (one consolidated budget based on MWR “Fund 1” only and one consolidated budget based on supplemental mission funds only) to FMWRC in accordance with the specific instructions contained in the annual NAFI/entity financial management operating (NAF budget) guidance.

16–15. Budget revisions

Budget revision is not a substitute for managing operations to achieve approved budget goals. However, when circumstances cause significant budget variances, budgets may be revised to reflect the new circumstances. Only future data may be revised and the IMCOM Region consolidated budget must be revised accordingly and be submitted to FMWRC. Failure to fulfill NAFMC commitments normally results in cancellation of NAFMC projects.

Section V

Nonappropriated Fund Instrumentality/Entity Banking and Investments

16–16. Concept

The ABIF supports minimizing levels of cash on deposit in local banks and accumulating available cash Armywide in a designated central bank for investment in Government or Government backed obligations. Investment income earned will be distributed proportionally among and credited to the accounts of participating NAFIs/entities.

16–17. Cash on hand

Cash amounts retained locally will be limited to the minimum levels necessary to support change funds, petty cash funds, check cashing funds, compensating balances required by local banks, and similar functions. All amounts in excess of immediate cash requirements will be deposited daily in the servicing local bank.

16–18. Local banking

a. Within CONUS, Hawaii, Alaska, Puerto Rico, and the Virgin Islands, NAFI/entity cash assets will be deposited only in banks or other financial institutions designated by the Treasury Department as depositories and fiscal agents of the Government. This designation will enable financial institutions to pledge collateral to secure public funds, which for this purpose includes NAFs. Eligible institutions are—

- (1) All banks and savings and loan associations insured by the Federal Deposit Insurance Corporation (FDIC).
- (2) All credit unions insured by the National Credit Union Administration (NCUA).

b. In overseas areas—

(1) NAFIs/entities will maintain a U.S. dollar account at available military banking facilities or any local branch of any U.S. bank that meets the eligibility criteria for CONUS banks. A military banking facility, governed by DOD 7000.14-R, Volume 5, Chapter 34, is a branch of a U.S. bank that operates on a U.S. controlled installation under a U.S. Government contract. All U.S. dollar deposits at military banking facilities are FDIC insured.

(2) NAFIs/entities may maintain a local currency account in a U.S.-owned or -controlled bank, provided each account offers a reasonable degree of liquidity and security. Amounts on deposit will be limited to the minimum necessary for—

- (a)* Projected operational requirements for a period not to exceed 30 days.
- (b)* Severance pay and other liability reserves.

c. The primary purpose of local bank accounts is to facilitate transferring cash to the designated central bank. Obligations will be paid from the NAFI’s/entity’s central bank account(s).

d. Local banking transactions are consistent with the following principles:

- (1) Cash maintained on deposit will be limited to the level necessary to minimize or preclude service charges, or the minimum level specified in the local banking agreement.
- (2) Current obligations will not be paid from local bank accounts.
- (3) Cash amounts in excess of minimum balance requirements will be transferred to the designated central bank daily.

e. Garrison commanders may authorize supplemental mission fund managers/MWR operating entity administrators to enter into local banking agreements for services. Local banking services will be obtained using NAF contracting procedures unless—

- (1) Only over-the-counter deposit and currency services are required, or
- (2) Service is provided by a bank under contract with FMWRC or DOD.

f. Local bank accounts will be properly established to ensure full insurance protection. A letter of authorization similar to the example provided in figure 16–1 must be on file with the bank. It will specify that withdrawals are limited to those replenishing change funds, and transfers to the central bank. Signature cards will be kept current.

(Letterhead)

(Office Symbol)

(Address of Local Bank)

I, (name), hereby specify that I am currently the (Morale, Welfare, and Recreation (MWR) Director or Garrison MWR Operating Entity Administrator if the garrison has no MWR Director of (location)), an installation of the United States Army. I authorize the establishment of the account(s) specified below, and further authorize the persons listed on the signature card to initiate transactions, account activity, balance, and other information reporting.

Acct # and Acct Title	# of Manual Signatures	# of Facsimile Signatures (stamp)	# of Signatures Required Per Check
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Further, (Central Accounting Officer's name and title, and alternate within CAO if desired) is/are hereby appointed as my authorized substitute, and (name of local bank) is authorized to rely on his/her instructions with respect to the above account(s) as if they were issued by myself.

The Bank may continue to rely upon the above instructions unless and until specifically amended by a written notice executed by myself, or the person then holding the position of (MWR Director) at this installation or the substitute appointed above. Any such notice will be effective when received by you at the address given above.

(Garrison)

(Signature)
(Title) (Date)

Figure 16–1. Sample local banking letter of authorization

g. Service charges imposed by local banks will be shown in monthly account analyses. Servicing CAOs will send a copy of each March and September analysis for each supported NAFI/entity to FMWRC at the address in paragraph 16–1, to arrive not later than 15 May and 15 November. FMWRC will use monthly bank account analyses to study trends and provide a basis for updating cash management strategies and procedures.

h. The number of local bank accounts established by a single NAFI/entity will be kept at a minimum (generally, no more than one) to simplify management and avoid unnecessary service charges. Accounts are established only when supported by a cost-benefit analysis.

i. Local banking agreements are periodically reviewed, at least annually, to ensure that accounts are properly established and funds properly protected.

16–19. Uninsured deposits

a. Accounts established at local banks or credit unions in CONUS, Alaska, Hawaii, Puerto Rico, and the Virgin Islands are insured up to \$100,000 by the FDIC and NCUA, respectively. Accounts established at military banking facilities in overseas areas are insured up to \$100,000 by the FDIC.

b. U.S. dollar and foreign currency accounts in overseas banks, even if U.S. owned or controlled, are generally not insured.

c. Amounts in excess of \$100,000 may be accepted by U.S. banks and overseas military banking facilities that meet the criteria explained in this chapter, when authorized by the Treasury Department, provided that collateral in the form of securities is deposited with the servicing Federal Reserve Bank to protect uninsured amounts.

d. FMWRC will advise the Treasury Department of the amount of collateral required for each bank for uninsured NAF deposits. Collateral is reserved at the Federal Reserve Bank on behalf of all NAFIs/entities using that bank.

e. CAOs will maintain a record of all local bank accounts used by supported NAFIs/entities and the amount of collateral reserved.

f. NAFIs/entities may attempt to obtain collateral for uninsured U.S. dollar and foreign currency deposits in overseas banks, except military banking facilities. Acceptable forms of collateral, in order of preference, are—

- (1) U.S. Government securities deposited with the U.S. correspondent bank of the local national bank.
- (2) U.S. dollar denominated securities of the host country or a mutually agreed upon third country.
- (3) Foreign currency denominated securities of the host country or a mutually agreed upon third country.

16–20. Reporting of local bank deposits

a. Each NAFI/entity account maintained in local banks will be reported to FMWRC at least twice a year on DA Form 3830 (Nonappropriated Fund Bank Balances). It is exempt from reports control requirements by AR 335–15. Reports will be used to verify that collateral is already pledged against uninsured balances or to take action to obtain collateral as needed.

b. Required reporting includes the following:

(1) Regular reports are prepared as of 31 March and 30 September of each year and sent to FMWRC at the address in paragraph 16–1, to arrive by 15 May and 15 November.

(2) Special reports will be submitted any time that collateral requirements exceed current allocations and whenever a local bank account is closed. Reports for closed accounts will show zero balances and are used to release previously pledged collateral.

c. Reports are prepared and submitted by—

- (1) CAOs, for all supported NAFIs/entities.
- (2) Fund managers for NAFIs/entity administrators for entities not supported by a CAO.
- (3) FMWRC, for HQDA NAFIs, and for balances maintained in the central bank.

d. The estimated balance will be based on the next 6-month period and is computed as follows:

- (1) For single accounts, the highest estimated balance for that account.
- (2) For NAFIs/entities with multiple accounts, the combined highest estimated balance for all accounts.
- (3) For single accounts shared by two or more NAFIs/entities, the highest estimated balance of the account as a whole, rather than the pro rata balances of each participating NAFI/entity.

e. FMWRC will verify that collateral is already pledged or will take action to obtain collateral as needed for accounts showing balances over \$100,000. Commanders and other agencies will be advised of adjustments.

f. Deposits in local banks that exceed protected levels are prohibited. Funds exceeding insured or collateralized levels will be transferred to the central bank.

16–21. Central banking

a. The term “central bank,” as used in this regulation, refers to an established U.S. commercial bank that is contracted by FMWRC. Daily operational requirements and approved programmed obligations will be paid with withdrawals from central bank accounts. The ABIF will invest all funds not otherwise lent to a centrally administered DA NAFI under the authority provided at paragraph 16–10*d*.

b. An established NAFI/entity will be automatically enrolled in the central banking program.

c. Signature cards and a letter of authorization will be completed by NAFI fund managers/entity administrators and returned to the ABIF. The ABIF will retain a copy of the latest signature card. If there is a change of signature authority, new cards will be prepared and forwarded to the ABIF.

d. Current obligations will be paid by writing checks on the central bank account. Countersignatures will be used when separation of duties is not possible and the amount of the check exceeds the signer’s fidelity bond limit. Bonding requirements are explained in chapter 19.

16–22. Army banking and investment fund investments

- a.* The ABIF will invest deposits and pay interest earned, plus capital gains realized, less administrative expenses and any realized losses, to each NAFI/entity account monthly. The ABIF will guarantee the deposited principal.
- b.* ABIF investments will be limited to—
 - (1) Obligations backed by the full faith and credit of the United States, such as Treasury bills and notes. This category includes instruments issued by Government agencies that are explicitly guaranteed by the Federal Government.
 - (2) Obligations of Federal agencies, including but not restricted to The Federal Home Loan Banks, The Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.
 - (3) Certificates of deposit insured by the FDIC or NCUA and fully collateralized by U.S. Government securities for amounts not so insured.
 - (4) Eurodollar deposits in foreign banks that are collateralized by U.S. Government securities.
 - (5) Repurchase and reverse repurchase agreements are authorized only under the following conditions:
 - (a)* With primary dealers in Government securities designated by the Federal Reserve Bank of New York.
 - (b)* Against actual delivery of U.S. Government securities to the ABIF custodial bank.
- c.* No investments in any type of commercial debt, corporate bonds, stocks, and stock options are allowed.
- d.* Only FMWRC may hedge NAF obligations payable in foreign currency against the risk of currency fluctuations by using forward contracts or options (hedging against APF obligations is prohibited). The following will apply to hedging contracts executed by FMWRC:
 - (1) IMCOM Regions and FMWRC elements may request contracts or options to fix exchange rates for specific obligations payable in foreign currency. Each request must identify—
 - (a)* The type of obligation, such as construction or local national payroll.
 - (b)* The date payable.
 - (c)* The total amount of the obligation.
 - (2) Speculation, or the appearance of speculation, in foreign currency transactions is prohibited.
- e.* Assets of the Army NAF Retirement Plan Trust will be invested separately by its trustees under the provisions of the Trust.
- f.* Trustees of the U.S. Army Nonappropriated Fund Employee 401(k) Savings Plan Trust will select and monitor investment managers for the plan's investment options.

16–23. Army Recreation Machine Program

- a.* FMWRC administers the ARMP Operations Fund to support routine ARMP operations.
- b.* The Army Recreation Machine Trust Fund (ARMTF) is administered by FMWRC, which will administer, allocate, and distribute ARMP profits held in trust on behalf of the AMWRF and participating overseas IMCOM Region and garrison MWR entities, as explained elsewhere in this chapter. Distributions will be made based on fund allocations determined by IMCOM Regions.
- c.* FMWRC will maintain separate ARMP Operations Fund and ARMTF accounts with the ABIF.
- d.* ARMP field offices will establish local ARMP cash collection accounts similar to local MWR program bank accounts described in this section. ARMP cash collections will be initially deposited in the local ARMP account.
- e.* Funds will be periodically transferred between accounts as follows:
 - (1) ARMP field offices will transfer all funds not needed to sustain local operations to the ARMP Operations Fund.
 - (2) The ARMP Operations Fund will transfer all funds not needed to sustain Armywide ARMP operations and capital projects to the ARMTF.
- f.* Interest earned by the ARMP Operations Fund and ARMTF is considered income and included in determining allocations.
- g.* Funds available in the ARMTF may be invested by FMWRC in accordance with this section.

Section VI

Reports

16–24. Introduction

- a.* This section establishes requirements and provides policy for MWR financial and personnel management reports. All are exempt from reports control requirements under AR 335–15.

b. The installation DRM will gather and compile information and submit required reports per this regulation and DFAS-IN Manual 37-100. The Military Personnel Division, CPAC, or the Director, FMWR will provide personnel related information to the DRM per local reporting procedures.

16-25. Applicability

The provisions of this section apply to all Army MWR programs and to those joint service and DOD agency MWR programs that have been assigned to the Army for management support. They do not apply to the ARNG, except when performing Federal service.

16-26. Requirements

a. FMWRC will prepare the consolidated reports from data provided by the field. Required reports are identified and explained in DODI 1015.15 and DODI 1330.20, and will include the following elements:

- (1) Balance sheet.
- (2) Reconciliation of net worth.
- (3) Statement of income and expense.
- (4) Schedule A, APF and NAF Expense Summary.
- (5) Statement of cash flow.
- (6) Nonappropriated funds available/projected usage.
- (7) Resources received under the DOD MWR USA/UFM funding practice.
- (8) MWR Personnel Strength Report.
- (9) NAFI Employees' Compensation and Benefits Program report.

b. The NAF Information Standard System (NAFISS) (DFAS-IN 37-1 Regulation, Chapter 32) and Army APF accounting system will contain most of the information needed to prepare required reports.

16-27. Appropriated fund accounting manual

a. The functional cost account codes and Army Management Structure Codes used to capture APF support for MWR (exclusive of Military Personnel, Army (MPA) and MCA) are listed in DFAS-IN Manual 37-100. MPA will be reported per paragraph 16-31. MCA will be reported by HQDA.

b. DFAS-IN Manual 37-100 also provides functional cost account codes for all community and Family programs. While all programs are reportable, caution is used to ensure that reports reflect only support provided to MWR. The following guidance applies in determining which account codes apply to MWR:

(1) All H-series codes are reportable, except Program Code HD (unit activities) is limited to support of unit day rooms and Program Code HG (official transient lodging)—New report requirements now requires all funding both APF and NAF to be reported for the Army Lodging Program listed separated by PCS and TDY (transient) lodging.

(2) All J (Basic Community Support Activities), K (Enhanced Community Support), and L-series (Business Activities) codes are reportable.

(3) P-series codes (Family/Community Support) are reportable.

(4) Reportable R-series codes (ECECS Functions) include only support related to MWR. If such support is less than 25 percent of available workload, do not report. Codes RK, RL, RM, RN, RT, RW, RX, RY, and RZ are not reportable and are reserved for IMCOM Region and HQDA funds.

(5) No S-series codes (Army Community Services) are reportable.

(6) Codes in the T series (Supplemental Mission) are reportable only to the extent that APF support directly relates to the administration of the NAF segment. If less than 25 percent of available workload is devoted to NAF administration, do not report. Code TP (Scouting) is not reportable.

(7) All U-series codes (Joint Services Activities) are reportable.

16-28. Integrated Facilities System

a. The Integrated Facilities System is a Standard Army Management Information System that supports the installation DPW and is installed at most CONUS installations. It accumulates costs of SRM and alterations by facility and produces the Facility Reference Report. This report identifies job order costs for facilities occupied by MWR programs and may be used to help capture MWR engineering support costs.

b. Utility costs must be based on meter readings, contract bid schedules, or engineer estimates. Sales agreements, prescribed in AR 420-41, will specify methods of determining utility consumption.

16–29. Consolidated execution report

a. The APF section of this report will reflect all current fiscal year obligations.

(1) The information will be displayed by appropriation, MWR functional cost account codes, and object class (elements of resource).

(2) All nonreimbursable APF obligations supporting MWR, whether defined as direct or indirect, are reportable. When one appropriation reimburses another, data will be reported under the originating appropriation.

(3) Incidental costs that have no impact on the significance of overall MWR obligations will not be reported in detail. APF support routinely allocated to MWR that does not incur any additional or incremental costs, such as personnel, will not be reported.

(4) Management or staff support functions that benefit only a specific MWR program will be reported under that program's code. Support functions supporting all MWR programs will be reported under the applicable R-series codes.

(5) MWR data (except MPA and MCA) will be included for the obligations on the monthly RCS CSCFA–218 Report. MWR specific data will be extracted semiannually.

b. APF object class descriptions are explained as follows:

(1) *Military personnel.* Costs for military personnel assigned or used in MWR programs will be computed at the annual composite standard rate for the fiscal year. HQDA will cost these personnel according to the information provided on the Personnel Strength Report.

(2) *Civilian personnel.* Costs for civilian personnel supporting MWR will be identified by salaries or wages and services and benefits. Personnel costs are accrued in proportion to time spent (permanent, temporary, intermittent, or collateral duty) in performing MWR-related duties. This will not include indirect personnel costs captured as part of a subsidiary costing system, such as auditing services, or costs of APF personnel who spend less than 25 percent of their workday on MWR programs. The cost of DPW personnel who perform repair and maintenance of MWR facilities will be reported under "Sustainment, Restoration, and Modernization (including Minor Construction)."

(3) *Utilities.* This includes the cost of heat, light, power, water, gas, electricity, and steam. It does not include transportation and communication services nor sewage disposal and trash and garbage removal. Utility costs will be reported for all buildings and facilities used entirely or principally for MWR. Where only a portion of the space is used for MWR purposes, the DPW will compute utility costs using engineering cost standards. Metering devices will be installed where MWR programs consume significant amounts of utilities. Costs will be prorated on the basis of relative square footage if this does not result in distortion.

(4) *Rents.* Costs include rental of real property and equipment, except transportation equipment. Where an MWR program occupies only a portion of a space rented by the Government, APF rental charges will be allocated to MWR. Relative square footage will be used as the basis for allocation if this does not result in distortion.

(5) *Communications.* This includes cost of communication services and equipment paid by APFs. Examples include postage, telephone, and facsimile and internet services, or telephone installation charges. Costs include fair and reasonable charges for the use of telephones.

(6) *Sustainment, restoration, and modernization (SRM) (including minor construction) and maintenance and repair of equipment.*

(a) This includes SRM of equipment, facilities, and real property supplied through commercial contracts, or installation service functions such as post engineer or base civil engineer. It also includes erections, addition, expansion, extension, alteration, conversion, or replacement of an existing facility, or the relocation of a facility from one place to another, providing that the cost of such construction does not exceed the limits for minor construction. Maintenance and repair of equipment are also included (see AR 420–1 for APF funding limitations).

(b) When SRM or minor construction funded from APFs is performed for MWR programs, costs will be reported to include direct labor and materials. Overhead allocation for general and administrative expenses, supplies, and miscellaneous materials, costs or equipment usage charges will be included when subsidiary costing systems are available to allocate such overhead items of SRM jobs, or where such overhead allocation is necessary to prevent a gross underestimate of SRM costs. SRM costs allocated on the basis of job costing systems, using fixed charges or unit costs for specific categories of maintenance, may be used if such system provides a reasonable aggregate estimate of SRM costs.

(c) SRM costs will be allocated to MWR programs on the basis of some form of job order system. SRM of a shared facility not directly identifiable with either the MWR or non-MWR portion shall be allocated on a reasonable basis such as relative square footage. Minor SRM not separately identifiable as a SRM expense will not be allocated to this expense element as long as such costs are included under other expense elements, such as personnel or supplies.

(7) *Supplies and equipment.* This includes the cost of expendable supplies, equipment, and materials and low-cost items that are ordinarily consumed or expended within 2 years after they are put into use or are used to form a minor part of fixed property (such as repair parts) and do not justify the same degree of accountability required for capital equipment. Also included is information technology software that is not capitalized. Examples include office supplies and

certain athletic and recreation equipment. It does not include supplies consumed in SRM, which are reflected in the element of resource "Sustainment, Restoration, and Modernization." It does not include investment equipment or equipment rental costs.

(8) *Equipment (investment)*. This includes equipment having a useful life expectancy of more than 2 years and an acquisition cost as prescribed in DOD 7000.14-R, Volumes 2A and 2B.

(9) *Transportation of things*. This includes transportation expenses using either contract or Government resources. It also includes contractual charges incurred by—

(a) Common and contract carriers.

(b) Rental of trucks and other transportation equipment.

(c) Use of nonpassenger vehicles from motor pools.

(d) Use of Government airlift, sealift, and other transportation or logistical support.

(e) Transportation of household goods related to PCS travel for civilians transferred to full-time positions in MWR programs. Expenses are charged to the gaining program. A standard cost per mile or any other method may be used that estimates the cost fairly. Charges for transportation by airlift or sealift will use a costing method that reflects a fair user charge that includes both direct and overhead costs.

(10) *Transportation of persons*. This includes individual travel and transportation costs when the primary purpose is conducting MWR programs. It also includes the cost of TDY travel of personnel employed by, assigned to, or detailed to MWR programs, and PCS travel for civilians transferred on a full-time basis to MWR programs. Expenses will be charged to the employing or gaining program and include—

(a) Commercial transportation fares.

(b) Rental of passenger-carrying vehicles.

(c) Per diem allowances and costs of baggage transfers, telephone expenses, mileage allowances, tolls, and charges for use of Government-owned passenger-carrying vehicles. Expenses are computed by using a standard cost per mile when actual expenses are not readily identifiable.

(11) *Other contractual services*. This includes the costs of all services performed for MWR programs by contract or agreement (such as custodial contracts or payroll service contracts), except for accounting, civilian personnel, central procurement, credit card sales, and administrative support services. It does not include SRM contracts. Obligations per MOA in support of MWR USA/UFM funding practice will be recorded here for each applicable MWR program (program code).

(12) *Construction of facilities*. This includes costs associated with construction and acquisition of land meeting criteria for NAFMC, design modification, contract administration, inspection, supervision of construction, other related costs, and NAF capitalized minor construction and capitalized SRM. HQDA will report MCA costs. APF minor construction costs will be reported by each installation. APF minor construction in excess of \$750,000 will be reported by HQDA.

(13) *All other obligations*. This includes costs that do not apply to expenses explained above, such as refuse collection and other engineer account charges.

16-30. Nonappropriated fund reports

The majority of NAF reports will be prepared at the DA level, using routine garrison MWR entity and IMCOM Region financial statements, and personnel reports from the NAF Financial Services.

16-31. Personnel Strength Report

This report is divided into separate sections for NAF and APF personnel and is required by DODI 1330.20.

a. Employees paid from NAFs will include U.S. citizens, U.S. nationals, and foreign nationals employed on a regular or temporary basis.

b. Personnel paid from APFs include assigned military personnel, civil service employees, wage grade or wage board employees, and foreign nationals.

(1) Full-time military personnel will be assigned to an MWR organization as a primary duty.

(2) Part-time military will be assigned on a part-time or collateral duty basis and spend more than 25 percent of their working hours performing MWR functions.

(3) Special Duty military are those detailed to work in MWR programs either as troop diversions (may be either TDA or modified table of organization and equipment (MTOE) Soldiers) or borrowed military manpower (only MTOE Soldiers).

(4) Full-time civil service employees are assigned to an MWR program and work at least 40 hours a week.

(5) Part-time civil service employees are assigned to an MWR program and work fewer than 40 hours a week.

c. The count of APF paid personnel will not include any military personnel or civilian employees whose MWR-related duties are less than 25 percent of their total duties.

d. For reporting purposes, anyone who works in more than one MWR program will be assigned to the program where the greatest portion of time is spent.

e. Personnel performing ECECS functions will be reported in the appropriate R-series code.

f. The report will reflect conditions as they existed at the end of the reporting period. Because it is used for military costing for the consolidated MWR execution report, the following special instructions apply:

(1) For full-time military positions, report end strength by rank. For example, one full-time O5.

(2) For part-time military positions, report end strength by rank. For example, one part-time E7. Note that regular part-time requires more than 25 percent of workload to be devoted to MWR.

(3) Do not report military collateral duty positions that require less than 25 percent of the workload.

(4) Report special duty military (either troop diversion or borrowed military manpower) by cumulative man-months by rank, such as 24 man-months (E-4), 36 man-months (E-5), and so on. Include as a memo entry on the MWR Personnel Strength Report (RCS DD-P&R(Q)1555).

(5) If a position has been removed from MWR and the individual reassigned, convert to work months in next report. For example, at the end of the first quarter, the full-time officer position was deleted. The officer filling the position was reassigned. The next report would reflect 3 work months at the applicable rank as there is no longer an established full-time position.

g. The MWR Personnel Strength Report is prepared twice yearly, at midyear and at the close of the fiscal year. Those consolidated IMCOM Region reports for APF civilians and military personnel assigned to MWR are forwarded to FMWRC at the address in paragraph 16-1 not later than 30 days after the closing date. Figure 16-2 (RCS DD-P&R(Q)1555) provides the format for data submission. Individual submissions by program code (see app F) for each MWR or Family program and common support/management overhead are required.

MWR PERSONNEL STRENGTH REPORT
AS OF QUARTER ENDING 30 Sep XX (date)
Southeast Region (Command)
Consolidated (Category)
All (Program Code)

Personnel	No. of Personnel	Report by Military Rank
1. U.S. Citizens-Paid by NAF		
a. Regular		Leave blank if paid by NAF Financial Services
(1) Full-time Dependent	(1) _____	
(2) Full-time Other	(2) _____	
(3) Part-time Military	(3) _____	
(4) Part-time Dependent	(4) _____	
(5) Part-time Other	(5) _____	
b. Temporary		
(6) Full-time Dependent	(6) _____	
(7) Full-time Other	(7) _____	
(8) Part-time Military	(8) _____	
(9) Part-time Dependent	(9) _____	
(10) Part-time Other	(10) _____	
c. Intermittent		
(11) Military	(11) _____	
(12) Dependent	(12) _____	
(13) Other	(13) _____	
Subtotal	_____	
2. Foreign Nationals-Paid by NAF		
(14) Full-time	(14) _____	
(15) Part-time	(15) _____	
(16) Temporary	(16) _____	
Subtotal	_____	
TOTAL NAF Paid Personnel	_____	
3. Military		
(17) Officers Full-time	(17) 2	(17) 1-02, 1-05
(18) Officers Part-time	(18) 1	(18) 1-04
(19) Enlisted Full-time	(19) 3	(19) 1-E9, 2-E5
(20) Enlisted Part-time	(20) 2	(20) 1-E4, 1-E5
Subtotal	8	
4. Civil Service		
(21) GS Full-time	(21) 40	
(22) GS Part-time	(22) 2	
(23) Wage Board Full-time	(23) 10	
(24) Wage Board Part-time	(24) 4	
Subtotal	56	
5. Foreign Nationals-Paid by APF		
(25) Full-time	(25) 10	
(26) Part-time	(26) 3	
(27) Temporary	(27) 1	
(28) Intermittent	(28) _____	
Subtotal	14	
Total APF Paid Personnel	78	
6. Borrowed Military Manpower		
Man Months not recorded above	120	

Figure 16-2. Format for MWR Personnel Strength Report

h. Overseas commands employing NAF foreign nationals will report those individuals on the same documents as the APF personnel strength report.

i. All program managers will reconcile the location code shown within the work center codes shown on each employee's timecard with the program code associations currently in use in the accounting system. Any discrepancies found can only be rectified through a correction in the employee's personnel record (and forwarded to appropriate CPAC-NAF) or through a notification to the accounting office of a need for a change to the cross-reference table used in the accounting structure, as applicable.

16-32. Employees' Compensation and Benefits Report

Garrisons not receiving Central NAF Payroll support will submit the Employees' Compensation and Benefits Report (RCS DD-P&R(A)1554) to FMWRC, at the address in paragraph 16-1. These reports will be submitted annually by MWR category and program code in the format prescribed in DFAS-IN 37-1 Regulation, Chapter 32.

Chapter 17 Property Management

Section I

Separate recordkeeping

17-1. Commingling

Government property may not be commingled on NAFI/entity property or financial accounting or reporting records, except as provided for in this chapter and DFAS-IN 37-1 Regulation, Chapter 32.

17-2. Appropriated and nonappropriated funds property management

- a.* APF property will be managed at the garrison level by the garrison property or supply office.
- b.* NAF property will be managed at the garrison or unit level by the Director, FMWR or equivalent designated element, which also designates hand receipt holders for APF property issued to NAFIs/entities.

Section II

Appropriated Funds Property

17-3. Guidelines

- a.* In addition to APF authorizations specified in appendix D, authorization sources for APF property are—
 - (1) Tables of organization and equipment (TOEs) and MTOEs, which prescribe personnel and equipment authorizations for like military units.
 - (2) TDAs, which prescribe personnel and equipment authorizations for specific missions, for which there is appropriate TOE or MTOE.
 - (3) Joint tables of allowances, which prescribe equipment authorizations for activities operated jointly by two or more military services.
 - (4) CTAs, which supplement TOEs, MTOEs, TDAs, and joint tables of allowances by authorizing material items required for common use by individuals or units. CTAs that relate directly to MWR programs include—
 - (a)* CTA 50-909, which includes line item authorizations for MWR furnishings, fixtures, and equipment (FF&E).
 - (b)* CTA 50-970, which identifies authorized expendables and other support items.
- b.* Other guidance on APF property management is found in the following sources:
 - (1) AR 71-32 prescribes policy on establishing Government requirements and obtaining equipment authorizations and describes selected types of equipment to support eligible MWR programs.
 - (2) AR 710-2 addresses supply responsibilities, garrison procedures, and accountability and management responsibilities for APF property issued to a using unit or stored for future issue; explains expendable and nonexpendable items and the hand-receipt property book and stock record systems.
 - (3) AR 735-5 addresses accountability and accounting for property that is lost, damaged, or destroyed.
 - (4) AR 735-17 addresses books, bound periodicals, recordings, films, art prints, videocassettes, computer software, slide sets, and similar property.
 - (5) AR 725-50 implements six DOD military standard systems for requisitioning and issuing supplies and equipment, including the DOD Activity Address Directory.

17-4. Issue and receipt of property

a. A Government supply activity may issue only the APF supply or equipment items authorized by an authorization document. APF property, issued to NAFI fund managers/entity administrators or other designated responsible persons by hand receipt will be carried on the garrison property book. APF property may be loaned only by temporary hand receipt in accordance with AR 710-2. Equipment that is unserviceable or no longer needed will be turned in to the APF supply activity.

b. APF property records will be maintained as required by AR 710-2 or as directed by the garrison supply officer.

c. Investment equipment is any nonstandard commercial item valued at over \$100,000 and procured with APFs. This equipment must be authorized by a TDA or JTA and funded from the Other Procurement, Army (OPA) appropriation. Use of OPA funds will therefore be subject to all applicable APF procurement policies.

Section III

Nonappropriated Fund Property

17-5. Controls

Controls for inventory and warehouse operations are in appendix G and DFAS-IN 37-1 Regulation, Chapter 32.

17-6. Issue and receipt of property

a. The accountable officer is accountable for all NAF property, whether issued or not. Responsibility will transfer to the user when the issue document is signed and will remain with the user until the property is returned.

b. NAF property is issued to individuals for either of the following:

(1) Use of property for official functions related to MWR ECECS or operational support as defined in appendix D. Hand-receipt holders may sub hand receipt property to actual users as necessary. Further issue by the subhand receipt holder is not authorized. Acceptance of NAF property is indicated by signature on DA Form 2062 (Hand Receipt/Annex Number) or issued by electronic media. DA Form 3161 (Request for Issue or Turn-in) or issued by electronic media will be used for issue to activity or program level personnel.

(2) Use of property by any eligible MWR patron for social or personal use consistent with the purpose of an MWR program. NAF property will be issued by a signed hand receipt, unless items are of nominal value and used only for short periods of time. Then, items will be issued by a signature roster or any other system that fixes responsibility. The NAFI fund manager/entity administrator or property manager will retain original hand receipts; the person receiving and assuming responsibility for the property will keep the duplicates.

17-7. Acquisition and property records

Acquisition requirements will be included in the NAF budgets. Budget approval constitutes authorization for purchases. All NAF property, including that donated, or transferred from another NAFI/entity, will be carried on NAFI/entity property records.

a. Purchase. Purchase of NAF property will be governed by AR 215-4.

b. Transfer. Property received from another NAFI/entity on a nonreimbursable basis will be governed by this chapter and IMCOM Region policy.

c. Donation. Gifts and donations received from private sources will be governed by chapter 13 and accounted for at fair market value. Donated property may be sold, and the proceeds retained by the NAFI/entity.

d. Equipment and buildings. NAF-procured equipment acquired in conjunction with new construction or facility renovation, except installed equipment, will be NAF property accounted for on CAO records. Buildings acquired through NAF resources will be reflected on NAF financial statements per DOD 7000.14-R, Volume 13, and DFAS-IN 37-1 Regulation, Chapter 32.

e. Surplus or excess APF property. Such property obtained from any DRMO will be considered loaned property and accounted for on memorandums of receipt, rather than added to NAFI/entity property records. DRMO transactions will require a Department of Defense Activity Address Code, as explained in AR 725-50 and AR 735-5. Authorization on the CTA or TDA will not be required but is accounted for in the same manner as other APF property and returned to the servicing DRMO when no longer needed. The controlling NAFI/entity will not sell APF property, nor will any proceeds gained from the use of APF property accrue to the NAFI/entity.

f. Installed equipment. Permanently installed equipment purchased with NAFs (such as plumbing, wiring) that is considered a part of buildings or other structures will be managed separately by the DPW and will not be carried on NAF property records or hand receipted.

g. Property records. Edelweiss Lodge and Resort, Shades of Green, Hale Koa Hotel, and Dragon Hill Lodge property records will be maintained according to generally accepted hospitality industry standards as an exception to DFAS policies contained in DFAS-IN 37-1 Regulation, Chapter 32. Property records of all other MWR programs and other NAFIs will be maintained in accordance with the above-cited DFAS regulation. This includes all fixed assets and expendable and nonexpendable items of sufficient value or sensitivity to warrant continual cognizance and control.

17–8. Nonavailability of appropriated fund property

a. If an item of APF property authorized by any source listed in paragraph 17–3 and appendix D is not reasonably available for use in an MWR program, a similar or like item may be purchased as NAF property if the urgency of need and inability to issue are adequately documented. The fund manager/entity administrator must approve the request to purchase a like or similar item from a commercial source, based on the following:

(1) The garrison supply office or other issuing authority must certify that the requested item will not be available by the date required.

(2) The program manager must certify that the item is essential to the operation of the MWR program, has been properly requisitioned, and procurement officers confirm the requisition cannot be filled by the date required.

(3) The request, and all supporting documentation, must be complete and verifiable for audit or inspection purposes.

(4) The CPMC budget must be revised as necessary to support the purchase. The commander's approval will be made a part of the budget documentation.

b. Requisitions for authorized APF property must be submitted in a timely manner and within normal supply lead times. Requests for NAF purchase due solely to late submission of a requisition will not be approved.

17–9. Property transferred to the Government

NAF property may be transferred to the Government only if the property item is listed on an appropriate APF authorization document or a request to add the item to an authorization document is approved. Property transferred to the Government will not be subsequently transferred back to the NAFI/entity. Proceeds from the sale of transferred property will not accrue to the NAFI/entity.

17–10. Loans of property

NAF property may be loaned only to—

a. MWR patrons, while participating in MWR programs.

b. Other NAFIs/entities for periods of 90 days or less. A requirement for a period in excess of 90 days is considered to constitute a continuing need and is the basis for a purchase.

17–11. Property management functions

a. NAFI fund managers/entity administrators will serve as accountable officers for all NAF property. They will ensure proper care, maintenance, and disposition, and supervise property managers or assistants, as applicable. Additionally, they will provide proper secured storage (preferably covered storage) for all large items of equipment— for example, golf course maintenance equipment—to provide protection from weather and to prolong equipment life. Storage facilities will meet Occupational Safety and Health Administration and Environmental Protection Agency requirements for safety and environmental considerations. If required, fund managers/entity administrators will serve as responsible property officers for APF property issued to the NAFI/garrison MWR operating entity and comply with all applicable APF property regulations. NAFI fund managers/entity administrators will—

(1) Ensure that property is adequately insured against loss, damage, or destruction per chapter 19.

(2) Receive or confirm receipt of purchased items through receiving reports, in accordance with terms of purchase.

(3) Comply with all inventory requirements and procedures in accordance with this chapter, appendix G, and DFAS-IN 37-1 Regulation, Chapter 32; establish fixed asset inventory numeric or alphanumeric listing in coordination with the CAO; furnish inventory team members for other than independent teams; and ensure agreement between NAFI/entity and CAO records and inventory results.

(4) Redistribute or dispose of excess NAF property in the most cost-effective manner, per IMCOM Region policy.

(5) Report losses and cooperate in or conduct necessary investigations described in chapter 18. Recommend relief of individuals from responsibility per appendix M when loss, damage, or destruction of property is not caused by neglect or misconduct.

b. Central accounting officers will receive and process all NAFI/entity property documents and maintain applicable records, including reconciling inventory counts to property records when inventory results are approved by the garrison commander. They also will—

- (1) Maintain NAF property records for the accountable fund manager/entity administrator, when requested.
 - (2) Use fixed asset records as the basis for general ledger fixed asset accounts and for determining depreciation expenses and schedules.
 - (3) Arrange independent physical inventories and follow-on adjustments to records.
 - (4) In coordination with the Services Division or equivalent, develop and maintain a NAF property identification numbering system which includes applicable inventory listings and the make, model, and serial numbers.
- c. Program managers will reconcile property accounts upon assuming their positions and periodically thereafter, as directed by the accountable officer.

17–12. Receiving procedures

a. Property will be inspected for overages, shortages, damage, or other discrepancies. Discrepancies will be noted on the receiving document, DD Form 250 (Material Inspection and Receiving Report), DA Form 4067 (Request for Quotations (Nonappropriated Funds)(EGA)), or vendor's invoice (see AR 215–4). Signed documents will be forwarded to the CAO for payment and inclusion in inventory records.

b. Items of NAF property, as classified below, will be physically marked with a durable form of identification (classifications are explained in DFAS-IN 37-1 Regulation, Chapter 32):

- (1) Fixed assets.
- (2) Nonexpendable items accounted for on NAF property records.
- (3) All expendable items with a unit cost less than \$1,000, considered sensitive or susceptible to pilferage.

c. Storage and property protection will include the following actions:

(1) Building entrances and exits will be limited to manage the flow of employees and customers away from storage areas. Except for fire exits, all entrances and exits will be monitored to ensure that no items leave the building without being properly issued.

(2) Antitheft devices will be purchased, installed, and used as recommended by the installation provost marshal.

(3) Proper temperatures will be maintained in storage areas for perishable items. Appropriate monitoring or alarm systems will be used.

(4) Firearms and ammunition will be secured in accordance with AR 190–11.

17–13. Inventories

a. All NAF property will be inventoried annually and upon change of fund manager/entity administrator or accountable officer.

b. Inventory procedures are specified in DFAS-IN 37-1 Regulation, Chapter 32 and appendix G of this regulation.

17–14. Losses

a. For purposes of this regulation, the term “property loss” includes all NAF property that is lost, damaged, or destroyed by causes other than fair wear and tear. This may involve natural disasters, hostile action, mysterious disappearance, robbery, theft, or similar causes.

b. The Army Central Insurance Fund (ACIF) described in chapter 19 will insure all fixed assets and other NAF property for which records are maintained against loss. The cost of insurance is considered a normal business expense for financial protection.

c. Accountability records will include—

(1) Property items or combinations of items valued in excess of \$2,000 that have been lost, damaged, or destroyed for causes other than fair wear and tear. These will be dropped from accountability records only after an investigation is conducted as prescribed in chapter 18.

(2) Minor operating losses that require no investigation and inventory levels will be adjusted as required. However, repeated losses of low-cost items are cause for a review of inventory controls and an investigation, if appropriate.

d. Property losses that involve individual pecuniary liability, which will be investigated and any resulting claims processed per chapter 18.

17–15. Disposition of property

a. *Transfers within the Army.*

(1) The preferred method of disposal of NAF personal property is the transfer of property to another NAF entity within the same IMCOM Region. Transfers of NAF property will be authorized only between military MWR NAFIs. If this method is not cost effective or for any number of other reasons, the responsible IMCOM Region will decide on the prop-

er method of disposal. Transfers between IMCOM Regions will satisfy requirements of both the losing and gaining IMCOM Region.

(2) Transfer of NAF personal property resulting from demobilization and redeployment are addressed in chapter 9.

b. Sales. Before any type of sale of NAF property, the local SJA will determine if State laws apply, such as for environmental reasons, and so forth. All sales proceeds will be returned to the NAFI or garrison MWR operating entity conducting the sale or the successor fund if the NAFI/entity is being disestablished. Garrisons may sell excess NAF property at a site on the installation or over the internet. Internet sales will comply with requirements in chapter 12.

(1) *Garrison sales.*

(a) Serviceable NAF property not needed may be transferred or offered for sale to other Army military MWR NAFIs or garrison MWR operating entity; with IMCOM Region approval, sold to NAFIs operated by the other Military Services; or, at fair market value, sold to nonmilitary NAFIs (for example, civilian MWR NAFIs).

(b) If other Army MWR NAFIs or garrison MWR operating entities cannot use the personal property or it is not advantageous to transfer or sell NAF property as prescribed above, serviceable property may be sold at no lower than fair market value to authorized MWR patrons, the public, or civilian businesses or organizations, or the local community affected by BRAC actions.

(2) *Auction sales.* Garrison auction sales, conducted on the installation or over the internet, will be to the highest bidder. The fund manager/entity administrator will prepare and authenticate a list of all property to be sold with space for recording the sale price if sold at a garrison auction or the sale price, commission, and net proceeds if sold under consignment by a commercial auction service. The list will be returned to the fund manager/entity administrator and the proceeds will be deposited in the NAFI or garrison MWR operating entity account, after which the CAO will validate the listing and update the fixed-asset inventory.

c. Trade-ins. New equipment may be purchased under conditions that allow trade-ins of used equipment when there are disposition advantages and price reductions on new equipment.

d. Disposition of NAF personal property resulting from BRAC actions. MWR NAF personal property will not be offered to the local redevelopment authority in the same manner as APF property disposed of at BRAC installations. Because MWR NAF personal property belongs collectively to Soldiers and is not considered APF Government property (as relates to BRAC actions), the BRAC-affected installation, in coordination with the parent IMCOM Region, may decide on the disposition of NAF personal property through transfer or sale in accordance with the disposition of NAF property policies above. Every effort will be made to ensure that the local redevelopment authority is aware of the difference between APF and NAF personal property. Policies on NAF real property proceeds and the Reserve Account are at paragraph 5–5. More specific information on BRAC-related actions is contained in the MWR Guide to Army BRAC Installations, issued separately by FMWRC (IMWR-PO).

e. Transfer or sale to other military services or U.S. Government agencies.

(1) *Garrison transfers.* The disposition of NAF assets or liabilities will be determined by the IMCOM Region through negotiation when control of an installation or organization is transferred from one Military Service to another or to another U.S. Government department or agency. These negotiations will assure a fair and equitable distribution of assets in consideration of current and foreseeable requirements of the affected garrisons or organizations.

(2) *Joint-basing transfers.* NAF property will be transferred to another military service at the discretion of the IMCOM Region when the property is excess at the Army installation or the installation is slated to close. The transfer will be in the best interests of the Army and the Soldiers being relocated to the other military service installation when deemed appropriate to ensure Soldier use of the transferred property.

Section IV

Other Dispositions

17–16. Recycling

a. Garrison MWR programs will participate in a recycling program to the maximum extent practicable. All recyclables emanating from the MWR program will be segregated and disposed of accordingly.

b. If authorized by the garrison commander and there is a projected positive net return on investment of NAF resources to the garrison MWR operating entity, the Director, FMWR may operate some or all of the garrison recycling program per AR 420–1 and other appropriate regulations and guidance. MWR recycling operations must work closely with the DPW/director of logistics (DOL) and DRMO.

c. For recycling programs designated by the garrison commander as a Qualifying Recycling Program, proceeds from sales are deposited in the Installation Recycling Account (installation clearing account 21F3875.1111) or the garrison MWR operating entity, as follows:

(1) Funds sufficient to cover the costs of operations, maintenance, and overhead for processing recyclable materials at the installation (including the cost of any equipment purchased for recycling purposes) will be credited to the operations and maintenance account at the installation.

(2) If a balance remains after expenses are paid, not more than 50 percent of the amount may be used at the installation for pollution abatement, energy conservation, and occupational safety and health projects. These funds may not be used for projects costing more than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) The balance of the installation recycling account up to 100 percent may be transferred to the garrison MWR operating entity.

(4) When the Installation Recycling Account balance exceeds \$2 million at the end of the fiscal year, the excess amount will be turned over to the U.S. Treasury.

(5) The Director, FMWR will obtain and monitor monthly reports of the installation recycling account balances and planned expenditures.

d. Funds generated from recycling, either through MWR operation or the Installation Recycling Account, will be accounted for under the applicable program code and MWR category outlined on the MWR website <https://www.armymwr.com/> (under Financial Management Documents) and DFAS-IN 37-1 Regulation, Chapter 32.

17-17. Abandoned personal property

a. 10 USC 2575 authorizes proceeds from the sale of unclaimed abandoned personal property found on a military installation to be retained by the installation. The proceeds will be used first to recover the costs of collecting, storing, transporting, and selling the abandoned property and secondly to support MWR programs.

b. The gross amount of the sale will be credited to the operations and maintenance account of the installation. Costs incurred for the handling and selling of the abandoned personal property are recognized as 20 percent of gross sales. The remaining 80 percent will be paid directly to the garrison MWR operating entity. Costs exceeding the 20 percent are considered extraordinary costs. The garrison commander is responsible for determining if the operations and maintenance, Army account or the garrison MWR operating entity will bear the cost of the extraordinary costs.

c. If there is a claim within 5 years from the date of sale and the claim is upheld, the owner or rightful claimant of the abandoned personal property will be refunded 80 percent of the proceeds from the sale. Payment is made from the garrison MWR operating entity, which received the 80 percent proceeds from the sale.

d. Additional policy regarding the accounting for the proceeds from sale of abandoned personal property is contained in DOD 7000.14-R, Volume 12, Chapter 25. Procedures for disposal of abandoned personal property are prescribed in DODM 4160.21.

17-18. Precious metals

Materials containing recoverable precious metals will not be disposed of through private commercial sources. All excess precious metals and salvageable items that contain recoverable precious metals and that were purchased with either APFs or NAFs will be turned in to and processed by the DRMO through the DOD Precious Metals Recovery Program. This includes silver-bearing hypsolutions discarded by arts and crafts photography labs. There will be no payment to the garrison MWR operating entity for sales of precious metal.

17-19. Auto skill unique items

Waste, motor oil, used auto parts, and similar items left by self-help patrons in automotive skills shops are considered donations to the MWR program, as defined in chapter 13, and may be salvaged. Income from sales to commercial sources will be used to support authorized NAF expenses of any MWR program. For large privately owned items such as drive trains and major auto body components, a statement signed by the owner will document transfer of ownership to the MWR program.

17-20. Firearms and ammunition

a. The sale or transfer of firearms or ammunition is subject to the provisions of chapter 8.

b. Turn-in of demilitarized firearms to the DRMO is subject to the provisions of DODM 4160.21.

17-21. Salvage

Whether serviceable or unserviceable, items that are not disposed of through any of the methods described in paragraphs 17-15 through 17-20, including recycling, may be turned in to the DRMO for salvage or may be disposed of as scrap under NAF contract.

a. For DRMO disposal, DD Form 1348 will accompany items turned in. Each document will include a statement that the item was procured with NAFs, applicable Department of Defense Activity Address Code number (AR 725–50 and AR 735–5), SNN of the NAFI/entity, item description, and book value.

(1) The DRMO will provide a copy of the document to the CAO, which relieves the fund manager/entity administrator or property officer of accountability and causes property record adjustment.

(2) Eighty percent of DRMO sale proceeds are rebated to the garrison MWR operating entity.

b. For items salvaged through commercial sources, rebates will be based on the terms of the contract.

17–22. Calibration

Calibration of NAFI/entity test, measurement, and diagnostic equipment is done free-of-charge at Government-owned or controlled calibration facilities. Test, measurement, and diagnostic equipment calibration requirements are coordinated in advance with the installation DOL.

Chapter 18

Audits, Reviews, Inspections, Investigations, and Management Controls

18–1. Audits and reviews

Audits and reviews are implemented by DODI 7600.06 and DODI 1015.15.

a. The DOD Inspector General will establish NAFI/entity audit policy and provide general audit oversight responsibility. The U.S. Army Auditor General will ensure that NAFIs/entities are provided adequate audit coverage.

b. An audit committee made up of senior officials, independent of NAFI/entity management, will oversee NAFI/entity audits. The committee will establish audit requirements based upon risk assessments, identify contract deliverables, and monitor the contracts for certified public accounting firm's execution of financial statement audits. A senior member from the U.S. Army Audit Agency (USAAA) will serve as an advisor to the audit committee but may not be a voting member of the committee.

c. The Director, Defense Contract Audit Agency, upon request, will provide reimbursable audit services on NAF contracts exceeding \$500,000.

d. The use of nonappropriated funds for NAFI/entity audits or reviews is the preferred method. MWR programs will be authorized nonreimbursable use of appropriated funds and/or personnel to conduct audits or reviews.

e. Private organizations on installations will not be authorized nonappropriated funds or appropriated funds or personnel for auditing their operations. However, funding and personnel will be authorized for official inquiries into the operations of private organizations on installations.

f. USAAA audits will be conducted in accordance with AR 36–2. Internal Review Office engagements will be conducted per AR 11–7. Procedures for conducting internal audits/reviews of DOD operations, systems, programs, and functions are in DODM 7600.07.

g. MWR programs may be audited or reviewed as a system or on a functional basis. Examples of functions that can be audited or reviewed are personnel management and cash controls.

h. Annual financial audits or reviews will be conducted on all NAFIs/entities with annual revenues or expenses that exceed \$7 million and those NAFIs/entities with operations deemed to be highly sensitive because of the potential for fraud, waste, abuse, or wide public exposure. The Office of the DOD Inspector General will be the approval authority (in writing) for any exceptions to the dollar limitation. Other audits or reviews will be completed as deemed necessary by management based on risk assessments and within resource availability.

i. An annual independent financial audit of all central NAFIs/entities (see chap 3) and IMCOM Region NAFIs is required to obtain properly certified statements as to financial condition. The garrison MWR operating entity will be considered part of the IMCOM Region NAFI. The audit opinion will be the basis for the Army's annual MWR Financial and Personnel Management Report submitted to the Office of the Secretary of Defense as required by DODI 1015.15. When contracting with a certified public accounting firm, the Army Auditor General must approve the solicitation before its release and contract award. Contracts will comply with Generally Accepted Government Auditing Standards as well as other applicable DOD or Office of Management and Budget audit standards and will include a provision to allow for technical review by USAAA when deemed necessary. USAAA will make the decision whether a technical review is required. Internal review offices will act as the Contracting Officers Representative. FMWRC will schedule and coordinate the contracting for NAFI/entity audits and related activities with USAAA.

j. Internal review or USAAA personnel, rather than certified public accounting firms, will be used for reviews or audits involving potential fraud or other serious improprieties.

k. Terminal audits or reviews must be performed for all NAFIs/entities being disestablished.

l. If evidence of a criminal offense, fraud, gross mismanagement, wrongdoing, or misconduct is detected, notification will be made to the installation provost marshal's office and/or the Army Criminal Investigation Command. Additionally, theft, suspected theft, negligence, conflict of interest involving appropriated or nonappropriated funds or property valued at more than \$100,000 will be reported as a Category 2 Reportable Serious Incident. A Serious Incident Report (SIR), if applicable, is submitted per AR 190–40 to the Provost Marshal General (DAPM–OPS), within 24 hours of discovery or notification at the installation level. After a SIR is submitted, the local garrison commander may conduct an investigation to determine the cause and fix responsibility.

18–2. Inspections

Inspections are conducted per AR 1–201.

18–3. Investigations

a. Investigations into NAFI/entity losses will be conducted per appendix M using AR 735–5 as a guide and initiated when—

- (1) Prescribed by a relevant Army regulation.
- (2) Directed by a commander or approving authority.
- (3) Required to establish proof of loss for NAFI/entity insurance purposes as prescribed in chapter 19.
- (4) Cash or NAF property losses over \$2,000 are a result of—
 - (a)* Apparent theft when there are no visible signs of breaking and entering.
 - (b)* An unexplained disappearance of cash or NAF property.
- (5) Inventory variances exceed \$500.
- (6) Retail sales accountability variances exceed \$500.
- (7) Circumstances indicate—
 - (a)* A lack of or disregard for management control procedures.
 - (b)* Fraud, dishonesty, willful misconduct, recklessness, or wanton disregard for the safekeeping of NAF assets.
 - (c)* Individual actions are beyond the scope of employment or permitted use.
- (8) Second or succeeding loss occurs at the same location under similar circumstances.

b. In lieu of appendix M procedures, garrison commanders may adopt the procedures for financial liability investigations of property loss as prescribed by AR 735–5. Where a NAF employee is authorized to take action regarding a financial liability investigation and the procedures in AR 735–5 are used, the following guidance applies when determining what level of NAF employee may take action to appoint, approve, or act as an appeal authority:

(1) Where AR 735–5 requires an employee to hold a supervisory position as a GS–13 through GS–15, or a GS–12 filling a GS–13 supervisory position in order to take an action in relation to a financial liability investigation, a NAF employee who takes such action must be in a supervisory position of the grade of NF–5 or above.

(2) Where AR 735–5 requires a General Officer or a Senior Executive Service employee to take an action in relation to a financial liability investigation, a NAF employee who takes such action must be at the grade of NF–6.

c. An AR 15–6 investigation will be required for sensitive items or where circumstances exist as outlined in AR 735–5.

d. Claims against contractor or commercial entities will be processed per ARs 27–20, 27–40, and 215–4.

18–4. Key management controls

a. Key management controls, as defined in AR 11–2, are “those controls that are absolutely essential to ensuring that critical processes operate as intended and that resources are safeguarded from fraud, waste, and misuse.” Key management controls for manager evaluation are outlined in appendix N of this regulation. Key management control checklists can be found through the ASA (FM&C) Financial Operations, Management Control web page, www.asafm.army.mil/fo/fod/mc/mc.asp or via the FMWRC Internal Review management control web page, http://www.army.mil/mwrc/checklist_fmwrc.htm.

b. Evaluation of management controls includes a detailed, systemic, and comprehensive examination to determine whether controls are in place, being used as intended, and effective in achieving their purpose. Formal management control evaluations of key management controls must be conducted at least once every five years; however, controls for high-risk areas may require more frequent evaluation.

c. Evaluations must be based on actual testing of these key management controls and must make a specific determination of their effectiveness. This evaluation must be supported by documentation that clearly indicates who conducted the evaluation and when, what methods were used to test the key controls, what management control deficiencies (if any)

were detected, and what corrective actions were taken. Certification that an evaluation was conducted is documented on DA Form 11-2 (Internal Control Evaluation Certification).

Chapter 19

The U.S. Army Nonappropriated Fund Risk Management Program

Section I

Introduction

19-1. General

This chapter describes the basic policies and principles that govern the U.S. Army NAF RIMP. Subsequent sections provide details on coverages and claims procedures.

19-2. Applicability

a. This chapter applies to—

(1) All U.S. Army NAFIs/garrison MWR operating entities worldwide. This includes all U.S. Army NAFIs/entities worldwide (except as provided in paragraph 19-2*c*) including chaplain funds and NAFIs of the DOD and other agencies for which the Army has executive agent responsibilities and/or has established NAFIs in accordance with Army policies prescribed in this regulation.

(2) Civilian NAFIs on Army installations. Civilian NAFIs may participate in RIMP only if the Army Civilian Welfare Fund BOD approves.

b. Isolated unit funds that own property will report to RIMP through the supporting coordination installation and IMCOM Region.

c. This chapter does not apply to AAFES, the Cadet Mess Ration Fund USMA, the USAR, or ARNG.

19-3. Administration

a. RIMP is a centralized property and casualty insurance program for U.S. Army NAFIs/entities. The Chief Financial Management Officer, FMWRC administers the program for the Commander, FMWRC.

b. The Army Central Insurance Fund (ACIF) is a NAFI, which receives and disburses the funds of RIMP. The AMWRF is the successor-in-interest to the ACIF.

c. The objective of RIMP is to provide broad insurance protection for Army NAF assets at the lowest cost including purchases made using MWR USA/UFM funding practices. Assets purchased directly with APFs are not covered under this program. RIMP will use self-insurance programs and centralized commercial insurance to provide insurance protection.

d. Address inquiries to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-FM-I), 4700 King Street, Alexandria, VA 22302-4406.

Section II

The Risk Management Program

19-4. Policy

a. RIMP will follow the general principles of the commercial insurance industry in administering the self-insurance program.

(1) RIMP will maintain a database of insured assets, employees, and payroll. As coverage needs of NAFIs/entities are identified, RIMP will provide the coverage either through the self-insured program or a commercial insurance company.

(2) RIMP will invoice NAFIs/entities for the cost of insurance and maintain reserves to pay claims.

(3) Losses covered by the RIMP programs will be adjusted and payment of claims will be made from the ACIF. Other than claims processed under the provisions of AR 27-20, general principles of the insurance industry will be used in adjusting claims.

(4) RIMP will maintain data on loss history and advise NAFI fund managers/entity administrators of losses that could be prevented or reduced with proper attention to loss and accident prevention measures.

b. All NAFIs/entities must participate in RIMP and certain coverages are mandatory. This ensures there is an acceptable spread of risk so that routine losses can be predicted with accuracy and there is stability in the RIMP programs.

c. Other insurance is not allowed unless specifically authorized by the Chief Financial Management Officer, FMWRC.

d. When the value or nature of certain insurable exposures dictates, RIMP may obtain commercial insurance coverage to protect exposure to loss.

e. Insurance policies will not be issued under this program. Annually, each fund manager/entity administrator will correct statements of insured exposures to update the RIMP database.

19-5. Insurance programs

a. Separate insurance programs within RIMP include—

(1) Property, which covers NAF assets including buildings and contents, equipment, furniture, fixtures, inventory; watercraft, vehicles, and aircraft; money and securities and fidelity bonding for employees.

(2) Tort, which covers claims against NAFIs/entities because of general liability. Such claims are defined and processed under the provisions of AR 27-20.

(3) Workers' Compensation, which covers on-the-job injuries and illnesses. Coverage is mandated by Federal statutes.

(4) Cargo, which covers merchandise and property shipped to and from NAFIs/entities. This coverage may be mandatory, depending on the dollar value of the shipment.

(5) Unemployment Compensation, which covers benefit for former NAF employees as required by Federal law. RIMP administers the program for Army NAFIs/entities.

(6) A RIMP claims fund for FCC providers, maintained by ACIF and used to pay claims against FCC providers adjudicated per AR 27-20.

b. Participation in the following RIMP programs is mandatory:

(1) Fidelity bonding, money, and securities.

(2) General tort, vehicle tort, and aircraft liability for flying and parachute programs.

(3) Workers' Compensation and Unemployment Compensation.

(4) FCC Providers Claims Fund.

19-6. Review of insured exposures

a. Annually, RIMP sends a Review of Insured Exposures to fund managers/entity administrators. The review shows the physical assets, number of employees, and other exposures insured for each NAFI/entity. The fund manager/entity administrator will update, sign, and date the review and return it to RIMP whether there are changes or not. The review is the basis for claims payment and premium computation. Claims will be paid for assets that are properly reported for coverage. Coverage will be effective the date the Review of Insured Exposures is signed. Premiums will be adjusted based on the updated information effective the date the review is signed.

b. The data recorded from the Review of Insured Exposures form an Armywide database. The Review of Insured Exposures permits a fair allocation of insurance costs among NAFIs/entities.

c. As part of the review, the fund manager/entity administrator will receive a copy of DA Form 4316 (Application for Building Insurance) showing the data currently recorded for each insured building. RIMP will provide a formula for establishing the actual cash value (ACV) of each building on the DA Form 4316, based on updated building costs per square foot and local area cost factors. The fund manager/entity administrator may accept the ACV as computed or may request a different ACV with supporting justification.

d. When insuring aircraft, NAFI fund managers/entity administrators must complete DA Form 4316-1 (Application for Army Flying Activity Aircraft Insurance).

e. Fund managers/entity administrators will notify RIMP when the insurable values of contents or the number of employees changes more than 10 percent per location from that recorded on the Review of Insured Exposures.

f. RIMP will provide coverage for newly acquired aircraft, vehicles, computers, buildings, building improvements and betterments, watercraft, livestock, and unlicensed vehicles for 30 days from date of acquisition. The fund manager/entity administrator must submit a written request for coverage to RIMP for coverage to be continued beyond 30 days.

19-7. Loss and accident prevention

In order to prevent or reduce losses and keep cost of insuring programs as low as possible, fund managers/entity administrators must observe DA, IMCOM Region, and garrison safety procedures.

19-8. Foreign insurance coverages

a. *Workers' Compensation and Employers' Liability.*

(1) In foreign nations, where local nationals working for the United States are required to be covered by the host nation's worker's compensation and employer's liability plan, private insurance will not be allowed.

(2) The local commander will insure foreign employees in accordance with host nation requirements.

b. Automobile and general liability.

(1) RIMP will provide physical damage insurance coverage as specified in section X of this chapter in those foreign countries where the use of such vehicles is authorized. RIMP will not provide insurance coverage for bodily injury or death or property damage sustained by third parties in nations where the United States does not have a SOFA (for example, Austria and Switzerland).

(2) Garrison commanders will require NAFIs/entities that lease recreational vehicles to authorized users to obtain commercial liability insurance to cover third party liability whenever the contemplated use of such vehicles includes travel to countries where the United States does not have a SOFA or where proof of liability insurance is required to enter the country.

(3) NAF vehicles may not be operated in a country where a SOFA does not exist unless prior approval is obtained from the host country.

c. Optional foreign insurance coverages. When participation in host nation insurance funds or commercial insurance companies is not required by law but is an option, NAFIs/entities will use the RIMP insurance program. Where overriding circumstances exist, requests for exceptions are sent to FMWRC at the address in paragraph 19-3 for consideration and final decision.

19-9. Insurance requirements for concessionaires and contractors

Guidance regarding insurance requirements for concessionaires and contractors is contained in AR 215-4.

19-10. Claims against users

a. Damage to NAF property insured under RIMP will be adjusted under the Property Program described in this chapter. RIMP reserves the right to seek recovery for claim payments against authorized users, through procedures established in chapter 18 or through legal proceedings.

b. Users of NAF property and facilities may be held legally liable for bodily injury or damage to the property of others caused by their negligence or omissions. Claims against authorized users will be adjudicated per section IV, this chapter.

Section III

Financial Requirements

19-11. Premiums

a. Invoices for insurance premiums will be mailed each October for the fiscal year. NAFIs/entities with poor loss records may be subject to a surcharge imposed by RIMP, based on dollar value of claims paid.

b. NAFI fund managers/entity administrators will project their cash flow and be prepared to pay according to the billing schedule each year.

c. RIMP insurance invoices will be paid by the electronic transfer of funds from NAFI/entity bank accounts through the Central Banking Program. RIMP will mail the original insurance invoice to the NAFI/entity. The fund manager/entity administrator will review the invoice and notify the RIMP immediately if an adjustment is necessary. RIMP will process the adjustments and send a corrected invoice to the NAFI/entity. On the 30th day after the invoice date, the premium will be automatically debited from the NAFI/entity bank account. The transaction will be shown on the NAFI's/entity monthly bank statement.

d. For those NAFIs/entities not participating in the electronic transfer, ACIF invoices will be due in full when received. Invoices not paid within 30 days of the invoice date may incur a 15 percent late fee surcharge. Claims made by NAFIs/entities with outstanding premium balances will not be considered by RIMP until all premiums are paid.

e. NAFIs/entities have the option to request to pay their annual insurance invoices on a quarterly basis. The fund manager/entity administrator must submit an annual request to make quarterly payments to RIMP within 30 days of receipt of the annual invoice. A predetermined charge is applied to each quarterly payment.

f. Except Korean nationals, NAFI/entity costs for Unemployment Compensation and Workers' Compensation will be processed biweekly through the NAF payroll system. Workers' Compensation cost for Korean nationals will be included on the annual insurance invoices.

19–12. Funding

a. Annual premium and expenses will be established for the following programs for each fiscal year:

- (1) Property Program.
- (2) General Tort Program.
- (3) Workers' Compensation Program.
- (4) Workers' Compensation Program for Korean Nationals.
- (5) Aircraft Liability Program.
- (6) Vehicle Tort Program.
- (7) Open Cargo Program.
- (8) Unemployment Compensation Program.
- (9) Family Child Care Program.

b. Reserve funds will be replenished each year based on actual exposure to loss and loss experience. Reserves will be established within the ACIF by the Chief Financial Management Officer, FMWRC, and are based on audits and actuarial reviews. Reserve funds will include—

(1) *Tort reserve*. This reserve is established annually based on known liabilities of general tort, vehicle tort, and aircraft tort.

(2) *Workers' compensation*. This fund is used to pay workers' compensation claims and expenses only. It is not commingled with other funds or used for any purpose except expenses and claims related to the workers' compensation program. Reserves are established based on the annual actuarial review.

(3) *Unemployment compensation*. This fund is used to pay unemployment benefits for former NAF employees.

c. In order to provide funds to pay for catastrophic losses, fund balances will be maintained for each of the programs in paragraph 19–12a. The Chief Financial Management Officer, FMWRC will be charged with determining the appropriate fund balance for each program based upon the potential liabilities.

d. Rates used to calculate premiums will be derived from the amount needed to cover anticipated losses. Rates may be revised each year based on loss experience.

Section IV

Tort Program

19–13. Tort claims and approval procedures

a. Claims covered by this section include—

(1) Claims against NAFIs/entities (tort claims) because of acts or omissions of the NAFI/entity, or its employees. Claims may arise from the activities of—

(a) NAF civilian employees of NAFIs/entities.

(b) Active duty military personnel while performing off-duty, part-time work compensated from NAFs.

(c) Members of recreational NAFIs/entities or authorized users of NAF recreational property, while using such property, except real property, in the manner and for the purposes authorized by DA regulations.

(2) Claims by employees of NAFIs/entities for loss, damage, or destruction of personal property incident to their employment.

b. Procedures for settling and paying tort claims are set forth in AR 27–20, chapter 12. The ACIF will act as a disbursing agent for the payment of claims settled by claims approval and settlement authorities under the provisions of AR 27–20 or by the Department of Justice.

c. RIMP will be notified of claims filed against NAFIs/entities as required by AR 27–20.

19–14. Tort claims

a. Claims against NAFIs/entities as described in paragraph 19–13 will be investigated, processed, and settled by claims approval and settlement authorities using the procedures described in AR 27–20 and this regulation. Procedures for claims arising out of activities of FCC providers are outlined in AR 27–20 and paragraph 19–19 of this chapter. Separate procedures for claims arising from flying programs are outlined in paragraph 19–61.

b. Generally, NAFIs/entities may not procure or pay for public liability insurance. Exceptions may be requested through the IMCOM Region to the Chief Financial Management Officer, FMWRC.

c. Litigation will involve the following:

(1) Civil action brought against a NAFI/entity, its officials, or employees, based on acts or omissions committed within the scope of their duties or employment, is reported per AR 27–40, chapter 2. Actions normally are defended by the Department of Justice, and legal representation is obtained as prescribed in AR 27–40.

(2) If a Soldier, employee, or other authorized user of NAF property is sued individually because of an alleged act or omission committed while using NAF property, and if TJAG or designee determines the property was being used in the manner and for the purpose authorized, NAFs may be used to pay expenses incident to the suit, judgments, and compromise settlements.

(3) The filing of such suits will be reported per AR 27–40. The report may include a request for authority to employ civilian counsel. Instructions will be issued that provide guidance to persons who might be sued individually in connection with the use of fund property. The instructions will direct the person, upon being served, to deliver the summons immediately to the responsible NAFI fund manager/entity administrator, to cooperate fully with the NAFI/entity representative to defend against the suit, and to refrain from making any statement except as permitted by this regulation.

(4) Only TJAG or a designee may authorize employing civilian counsel.

(5) If authority to employ civilian counsel is granted, TJAG or a designee will—

(a) Issue instructions to attorneys who are employed pursuant to this authority.

(b) Determine whether a compromise offer should be accepted and paid.

(c) Determine whether satisfaction of the judgment rendered against the individual sued is properly the responsibility of the NAFI/entity involved.

(6) Upon certification by TJAG or designee that payment of attorney fees, litigation expenses, compromises, and judgments is proper, payment will be made per AR 27–20, chapter 12. Expenses incident to suits arising out of the operations of NAFIs/entities, other than those of the AAFES, are paid by the ACIF.

19–15. Investigation of claims: fund manager’s/entity administrator’s role

a. Any incident involving personal injury or property damage can result in a claim. Even where no injury or damage is apparent, established claims procedures will be followed in the event a claim is filed at some future date. Any incident that may potentially cause a claim will require the guidance of the local SJA.

b. Fund managers/entity administrators will establish local procedures to ensure—

(1) All incidents are reported to the fund manager.

(2) Employees understand the importance of recording relevant information such as date, time, and place of incident; injured person’s name, address and phone number; names of witnesses; condition of premises; nature of injury or damage to property; and any statements made by persons involved.

c. Upon learning of any incident that may result in a claim, the fund manager/entity administrator must—

(1) Notify the appropriate claims judge advocate (CJA).

(2) Provide the CJA with all relevant information recorded at the time the incident occurred. The fund manager/entity administrator will also report other information which may have a bearing on the incident. Such information will include specific instructions or warnings provided to patrons; documented efforts to repair known defects; and agreements with patrons, such as rental agreements, waivers, and hold harmless agreements used with recreational equipment and facilities or in conjunction with particular activities.

(3) Notify the ACIF (address in paragraph 19–3) within 24 hours of all incidents involving death or serious injury requiring hospitalization.

(4) Direct all communication and correspondence regarding the incident or claim to the appropriate CJA. Fund managers/entity administrators have no authority to pay bills or expenses related to a claim or to attempt to settle a claim.

(5) Follow procedures for payment of claims set forth in paragraph 19–18.

d. Separate procedures apply for incidents and claims arising from flying and parachute programs. Guidance is located in paragraph 19–61.

19–16. Claims by employees

Claims by employees of NAFIs/entities for loss, damage, or destruction of personal property incident to their employment will be investigated and processed per AR 27–20, chapters 2, 11, and 12.

19–17. Contract claims

The SJA will be consulted when it is unclear whether a case should be processed as a contract claim under AR 215–4 or as a tort claim under AR 27–20.

19–18. Payment of claims

a. The settlement or approving authority responsible for adjudicating the claim will determine whether a claim is payable or not, what amount is to be paid, and whether payment is to be made from NAFs or APFs.

b. Procedures for payment are outlined in AR 27–20.

- (1) Valid claims of \$100.00 or less will be paid by the NAFI/entity sustaining the loss.
- (2) Valid claims in excess of \$100.00 will be sent by the CJA to the ACIF for payment in full if approved by the settlement authority. Payment will not be made by the NAFI/entity.

Section V

Claims Against Family Child Care Providers

19–19. Establishment of Family child care Tort Claims Program activities

Effective 1 October 1985, RIMP established a program to provide payment of certain tort claims arising from the activities of FCC providers. To be cognizable, claims must arise from child care programs provided as part of the quarters-based system of child care authorized by AR 608–10. APFs are used to pay the FCC claims fund cost, per the Military Child Care Act.

19–20. Claims

a. The processing of claims arising from the activities of FCC providers while providing care under the FCC program is set forth in AR 27–20, chapter 12. Such claims generally will be limited to injuries or death to children receiving care under the FCC program because of the negligence on the part of the FCC provider, authorized members of that provider's household, and approved substitute providers. A claim is not payable if it is based upon any death or injury arising out of any criminal act or omission or any otherwise intentional tort or intentional violation of applicable laws or regulations. Examples include assault, battery, indecent assault, rape, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit. Claims arising from the transportation of such children in motor vehicles and claims involving loss or damage of property are not cognizable. The total payment for all claims (including derivative claims) arising as a result of injury to or death of any one person will be limited to \$500,000 for each incident. Continuous or repeated exposure to substantially similar general harmful activity or conditions will be treated as one incident for purposes of determining the limit of liability.

b. The claims settlement or approving authority will determine the liability and the amount of the award. If a decision has to be made whether to pay from NAFs or APFs, the matter will be referred to the Army Claims Service at Commander, U.S. Army Claims Service (JACS–TC), Fort Meade, MD 20755. If a claim is found meritorious and payable from NAFs, payment is made by RIMP per paragraph 19–14 and AR 27–20, chapter 12. Upon certification that costs are proper, payment will be made by RIMP.

c. Claims authorities in the field may ask, through the Commander, U.S. Army Claims Service for an advisory opinion from the FMWRC prior to settling any claim arising under paragraph 19–20*a*, where it is not clear that the injured or deceased child was receiving care within the scope of the FCC program.

19–21. Reporting requirements

a. Injury. All incidents of personal injury and death to children under the care of a FCC provider will be reported by the FCC provider to the FCC director, who immediately will report to the local CJA. The CDS coordinator must cooperate with the CJA in investigating and resolving all claims. CDS coordinators will inform RIMP by letter within 3 days, of any claim arising from the activities of FCC providers while providing care under the FCC program (exempt report, AR 335–15).

b. Certified providers. The CDS coordinator will report the name, social security number, and date of certification for each fully or provisionally certified FCC provider at each garrison to RIMP as of 1 October of each year. This information will be used in a database of providers and assists in determining authorized NAF claims costs. Authorized FMWRC NAF claims costs associated with the FCC program will be determined by the Commander, FMWRC or a designee. Throughout the year, additional providers certified after 1 October will be reported to RIMP. Certified providers who transfer to another garrison, need not be reported by the new garrison until 1 October of the next year.

19–22. Private insurance

The RIMP program is intended to provide certain limited claims relief as described in AR 27–20, chapter 12. It is not a substitute for private liability insurance. Whether or not to carry private liability insurance is an independent business decision made by the FCC provider.

Section VI

Property Program

19–23. Property program coverage

a. The RIMP property program protects the value of assets acquired with NAF, including MWR USA/UFM funding practice purchases, or assets donated to a NAFI/entity, and the property leased or on loan to a NAFI/entity where the leasing agreement requires the NAFI/entity to have property insurance. The property program also covers the interest of the NAFI/entity in the real and business property of others in the care, custody, and control of the NAFI/entity; and the NAFI's/entity's liability imposed by law or assumed by contract for such property. To be insured, any assets owned by the NAFI/entity or assets for which the NAFI/entity is responsible by lease or contract will be properly reported to RIMP. A copy of the lease or contract will be sent to RIMP. Assets acquired directly with APF will not be insured under this program.

b. Details of coverages are outlined in the following sections. RIMP will assist NAFIs/entities with other insurance requirements.

c. General exclusions to the RIMP property program are outlined in paragraph 19–25. In addition, exclusions that apply to particular coverages are stated in the applicable section. Where a conflict exists between this regulation and a commercial insurance policy, the commercial insurance policy will take precedence.

d. Coverage for buildings, improvements and betterments, and aircraft physical damage requires the NAFI/entity to submit an application for coverage to RIMP for approval. Coverage is not effective until the completed applications, DA Form 4316 and 4316–1, are approved by RIMP. Instructions for completing the forms are in the sections describing these coverages.

e. Except where coverage is mandatory, the NAFI/entity does have the option not to insure its assets; however, NAFIs/entities should follow prudent business practices. Losses not insured become operating losses for the NAFI/entity and may cause loss of income producing revenue or the dissolution of the NAFI/entity.

19–24. Valuation of assets

a. Values of buildings, betterments and improvements, contents, watercraft, vehicles, aircraft, and computers insured under RIMP are reported as full ACVs. Values reported to RIMP at original cost without depreciation factors may result in a higher premium for the NAFI/entity than if depreciation factors were applied.

b. Values reported to RIMP at less than ACV will be subject to a pro rata coinsurance penalty at the time of adjustment. For example, if the contents of a building are reported as \$50,000 and the value is actually \$75,000, any loss will be adjusted on the basis of the ratio of insurance to actual value. In this case, two-thirds (66 percent) of any loss would be paid.

19–25. Exclusions

a. Excluded from coverage under the property program are losses caused by—

- (1) Nuclear reaction, nuclear radiation, and radioactive contamination, whether controlled or uncontrolled or coming from peaceful sources or weapons of war.

(2) Hostile or warlike action during peace or war, declared or undeclared, by—

(*a*) Attacking or defending forces.

(*b*) Any authority or any air, naval, or military forces.

(*c*) Any weapon of war.

(*d*) Insurrection, rebellion, revolution, civil war, usurped power.

(*e*) Any action taken by Government authorities to hinder, combat, or defend against such occurrences.

(3) Mysterious disappearance (except for money and securities), short delivery, nondelivery, profit shortfall, or inventory shortage, unless reasonably presumed that the loss was caused by stealing.

(4) Authorized destruction, demolition, or disposal.

(5) The misplacing, mislaying, or forgetting of property or money by anyone in charge of it.

(6) The outright neglect of management controls or physical security.

b. The following are not insured under the RIMP property program:

(1) Land, growing crops, standing timber and golf course grounds. Separate coverage is available for golf courses upon request to RIMP (see appendix L for golf course coverage).

(2) Underground electrical and air-conditioning conduits, electrical or outdoor lead-in wiring.

(3) Above and underground sprinkler systems.

(4) Jewelry, watches, precious stones and metals, and furs.

(5) Accounts receivable, time-element losses (such as business interruption, loss of revenue). Business interruption is available upon written request to RIMP.

(6) Valuable papers, evidence of debt, accounts, bills, records, abstracts, deeds, manuscripts, or other documents. However, RIMP does cover such property when it is converted to data form and then only in that form.

19–26. Property claims

a. Deductible. All losses are subject to a \$100 deductible.

b. Notification. Notification requirements vary, depending on the type of loss and the estimated dollar value of the loss.

(1) RIMP will be informed within 24 hours, by facsimile, e-mail, or telephone, of any loss under the self-insured programs when the entire loss exceeds \$5,000, or of any in-flight accident of the Army flying or parachute program. Telephone reports will be confirmed within 48 hours by written notice of loss in memorandum format.

(2) Notice by mail of loss of less than \$5,000 will be in memorandum format. The information contained in paragraph 19–26c is required. Routine notices will be sent as soon as possible, but no later than 60 days, after a loss. Normally RIMP will not accept claims that are filed more than 60 days after knowing of the loss.

(3) The CJA responsible for processing such claims will be informed if it is likely that tort claims against the NAFI/entity may arise from the same event.

(4) If a third party is involved in a loss, the fund manager/entity administrator may submit a property claim to RIMP without waiting for determination of responsibility. RIMP will settle the claim directly with the NAFI/entity. NAFIs/entities should pursue recovery from the responsible party and seek guidance from the local SJA if assistance is needed. If restitution is received from a responsible third party, RIMP will be entitled to first recovery of any amount reimbursed.

c. Notification format. Claims for losses covered under RIMP are sent to FMWRC at the address in paragraph 19–3 (exempt report, AR 335–15). A memorandum to include the following information will be used to inform RIMP of a loss:

- (1) Garrison or IMCOM Region.
- (2) Name of business program within garrison MWR operating entity.
- (3) Name of fund manager/entity administrator and DSN or commercial telephone number.
- (4) Date, time, and place of loss.
- (5) Brief description of what happened.
- (6) Estimated loss (in dollars).

d. Proof of loss.

(1) RIMP will acknowledge all claims reported by advising the fund manager/entity administrator of the assigned claim number and which documents are required as Proof of Loss. The documents required for each claim will vary, depending on the type of loss. Examples of documents requested as Proof of Loss may include—

(a) Investigative reports, such as MP reports, CID reports, reports of investigation, fire or traffic accident reports.

(b) Supporting documents to prove the amount of loss, such as repair or replacement estimates, DD Form 1844 (List of Property and Claims Analysis Chart) (AR 27–20, chap 11)), an audit by a disinterested party, or a statement from the CAO (to confirm the exact amount of money missing).

(c) Information to confirm coverage, such as vehicle serial number, aircraft N number, or building number.

(d) A statement by the fund manager/entity administrator stating whether the loss could have been prevented and what action has been taken to prevent a similar loss in the future.

(2) The completed Proof of Loss will be mailed to the RIMP within 90 days after the date of the loss. The claim will be closed without payment if the documents required as Proof of Loss are not submitted within 90 days. If obtaining the documents is difficult, an extension may be requested in writing before the deadline. The fund manager/entity administrator will sign the Proof of Loss and will send it to RIMP.

e. Claim numbers.

(1) After receiving the notice of loss, RIMP will assign a claim number to it and inform the NAFI fund manager/garrison MWR operating entity administrator who sustained the loss. All future correspondence about the loss between the NAFI/entity and RIMP will contain this number.

(2) The program filing a claim will maintain a record of the claim. Records are kept until the claim is processed and a closing notice is received from RIMP. The closing notice will include a payment or a statement that the claim was judged nonpayable.

f. Investigation of losses.

- (1) Investigation of property and casualty losses are conducted as prescribed in chapter 18.

(2) For unusual property or casualty losses, RIMP may send a representative to review and recommend how to handle the loss.

g. Adjustment of property losses.

(1) RIMP will adjust claims against the property program.

(2) For loss or damage, each claim will be adjusted separately. From the total of claims arising from the same event, \$100 will be deducted and borne by the NAFI/entity. Deductible amounts for aircraft physical damage are detailed in Section XI, this chapter.

(3) The basis for adjusting loss will be the ACV of the damaged or destroyed property. Losses will be paid to the NAFI/entity. In overseas areas the foreign exchange rate in effect at the time of the loss is used to determine the U.S. dollar equivalent.

(4) RIMP may adjust severe or unusual losses by using professional adjustment organizations.

(5) RIMP will use the depreciation guide at table 19-1 to help establish the ACV of property at the time of a loss. RIMP uses a national automobile valuation guide in the case of a total loss of a vehicle.

**Table 19-1
Depreciation guide**

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
1	Air conditioners				See items 13, 14, 15, and 16, electrical and gas appliances
2	Automobile tire	30		75	Compute depreciation based on miles used/30,000 miles or miles used/mileage guarantee ratio if known; otherwise use 30% per year
3	Boating and motors (including outboard motors)	Varies			Use local boat retail values
4	Boating equipment and supplies (exclusive of motors)	20		75	
5	Bric-a-brac (all types)		10		Includes inexpensive figurines, sculptures, and ornamental or sentimental items, as distinguished from expensive objects of art
6	Camping equipment and supplies (including tents, sleeping bags, backpacks, shovels, and other tools, lanterns, etc.)	10		75	Camping cutlery is included. Camping clothing is not included
7	Computers	20		75	
8	Computer peripherals, software, and accessories	10		75	
9	Crockery (dishes, pottery, and glassware)		10		Do not include fine china, crystal, or expensive cut glass
10	Plastic ware	10		75	
11	Drapes	10		75	
12	Curtain rods, venetian blinds	5		75	
13	Electrical and gas appliances				See items 13, 14, 15, and 16. See item 37 for stereo systems and tape recorders. See item 39 for video recorders
14	Minor appliances (\$200 or less)	10			
15	Major appliances (over \$200, except those in item 16)	5		75	
16	Televisions, washers, dryers, hot tubs, electronic games, pinball machines,	10		75	Depreciate television picture tubes 10% per year for the first 3 years and 5% per

Table 19-1
Depreciation guide—Continued

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
	dishwashers, spas				year thereafter, up to a maximum of 75%
17	Furniture (including beds)	5		50	Take no depreciation on antique furniture or expensive, solid wood furniture such as cherry, walnut, teak, rosewood, oak, etc., except for replacement of fabric. Do not confuse solid wood with finishes, stains, veneers, etc. Kitchen table and chair sets are considered one item. Consider each wall unit as one item
18	Infant, lawn, and patio furniture	10		75	Includes cribs, children's beds, and so on
19	Game equipment		25		Includes poker chips, chess, backgammon, and similar sets, as distinguished from children's toys and games
20	Garden equipment (all implements needed for lawns and yards including lawn mowers)	10		75	See item 18 for lawn furniture
21	Kitchen utensils—heavy aluminum, copper, corning ware, cast iron, stainless steel, and so on	5		50	All long-lasting kitchen tools should be considered in this category
22	Kitchen utensils—other items	20		75	Items such as potato peelers, cooling racks, ice picks, bowl scrapers, or other items described in advertisements as "kitchen gadgets" should be considered in this category
23	Lamps (including sunlamps)	5		75	The higher rate applies when lamp shades are claimed separately. However, if shades are made of glass of any type, apply the 5% depreciation
24	Pianos, organs, player pianos	5		75	Includes amplifiers and accessories
25	Other musical instruments under \$100	20		75	Includes amplifiers and accessories
26	Other musical instruments \$100–\$250	10		75	Includes amplifiers and accessories
27	Other musical instruments over \$250	5		75	Includes amplifiers and accessories
28	Office furnishings	10		75	Includes calculators, radios, paintings, plants, and so on
29	Painting and pictures (including photographic portraits, etchings, hand reproduced pictures, lithographic prints, etc.)	10			Take no depreciation on paintings valued in excess of \$750
30	Phonograph records; compact disks	10		50	See items 38 and 39 for tapes
31	Photographic equipment (cameras, screens, lenses, projectors, etc.)—Inexpensive, \$100 or less	10		75	See item 46 for video cameras and accessories
32	Photographic equipment (cameras, screens, lenses, projectors, and so on)—Expensive, over \$100	5		75	See item 46 for video cameras and accessories
33	Rugs, under \$500	10		75	
34	Rugs, \$500–\$999	5		50	

Table 19–1
Depreciation guide—Continued

No.	Item	Percent of depreciation			Remarks
		Per year	Flat rate	Maximum	
35	Rugs, \$1,000 or more	2		25	
36	Sports equipment and supplies (including uniforms and riding togs as well as basketball, baseball, football, croquet, bowling, badminton, volleyball, skiing, tennis, scuba, golf, and other equipment)	10		75	Take no depreciation on unopened or unused boxes of golf balls or canisters of tennis balls. See item 6 for camping equipment
37	Stereo items and accessories	5		75	Includes styli, dust covers, tape recorders, speakers, amplifiers, turntables, etc. See items 38 and 39 for tapes and item 46 for video recorders
38	Audio tapes, blank or commercially recorded; DVDs	10		75	
39	Video tapes, blank or commercially recorded	10		50	
40	Television sets				See items 13, 14, 15, 16 for electrical and gas appliances
41	Telephones and telephone answering equipment	10		75	
42	Manual tools—tools, tool chests, and tool boxes not stored in a vehicle	5		50	
43	Power tools—tools, tool chests, and tool boxes not stored in a vehicle	10		75	
44	Tool chests—tools, tool chests, and tool boxes not stores in a vehicle	5		75	
45	Typewriters	5		75	
46	Video recorders, video cameras, and accessory equipment	5		75	See item 39 for video tapes

Notes:

¹ This depreciation guide has been compiled from information provided by the U.S. Army Claims Service, Fort Meade, MD, and is the primary reference used by the ACIF in adjusting claims. Because other factors may affect the actual depreciation rate in specific cases, it should be used only for general information. Fund managers/entity administrators may also use these depreciation factors when valuing NAF assets for insurance purposes.

Section VII

Buildings and Contents

19–27. Coverage

This program provides coverage for buildings, improvements and betterments to buildings, and contents that are purchased with NAF. Coverage is provided against all risks of physical loss or damage from any external source, subject to exclusions stated in paragraphs 19–25 and 19–35. Buildings, improvements and betterments, and contents are insured at ACV. All requests for insurance for buildings and improvements and betterments will be submitted to RIMP on DA Form 4316. (Guidance for valuing buildings and contents is in paragraphs 19–31 and 19–33 below.) Replacement cost insurance is not available.

19–28. Building requirements

a. Buildings consist of the foundations, walls, ceilings, roof, floors, and built-in or attached equipment that are permanent parts of the building. Improvements and betterments are alterations to a building that become a permanent part of the building. Examples of permanent equipment for both buildings and improvements and betterments are—

- (1) Utility connections.

- (2) Furniture, cabinets, and shelving.
- (3) Venetian blinds, shades, window screens, and screen doors.
- (4) Elevators and escalators.
- (5) Drinking water coolers.
- (6) Telephone, fire, alarm, and intercom systems.
- (7) Protective construction features, such as awnings.
- (8) Theater seats, church pews, and pulpit.
- (9) Heating, ventilating, and air-conditioning installations (but not portable or window units).
- (10) Food preparation and serving equipment.
- (11) Electrical generators and incinerators.
- (12) Dishwashers, hoods, and vents.
- (13) Refrigerators and freezers.
- (14) Bowling lanes, including seating and pin setting equipment.
- (15) Awnings or canopies.
- (16) Stained glass windows.

b. Permanent structures such as stand-alone storage sheds and picnic pavilions are considered buildings. To insure this type of structure, DA Form 4316 will be submitted for approval by RIMP.

c. Mobile homes fixed in place and not self-propelled may be insured under this program as buildings.

d. Assets such as exterior and neon signs, large billboards, awnings, and canopies normally considered parts of a building may be insured if DA Form 4316 is completed with a description and value of the property.

e. Assets such as fences, swimming pools, tennis courts, lighting for athletic fields may be insured if DA Form 4316 is completed with a description and value of the property.

f. Property insured under this program will be covered while being carried in NAFI/entity-owned or -leased vehicles.

19–29. Buildings insured

a. All buildings or improvements constructed or altered with NAFs meeting the definition of NAF major construction will be insured for the useful life of the building. Buildings and improvements of a lesser value than prescribed for NAF major construction may be insured at the option of the fund manager/entity administrator.

b. Civilian NAFIs may insure NAF buildings or improvements if approved by the ACWF Board of Directors.

c. When international agreements require that NAFIs/entities insure used non-owned buildings in foreign nations, the Chief Financial Management Officer, FMWRC, will authorize such insurance.

19–30. Insurance for buildings, improvements, and betterments

a. Insurance for buildings, or improvements and betterments to buildings will not go into effect until—

(1) The NAFI fund manager/entity administrator will complete DA Form 4316. The improvements and betterments will be described in the remarks section of the form.

(2) RIMP confirms that the insurance is in force.

b. To increase or decrease the amount of insurance on a building, the fund manager/entity administrator must submit a new application.

c. The amount of insurance will be the ACV of the building. As part of the annual Review of Insured Exposures, the fund manager/entity administrator will receive a copy of DA Form 4316 showing the data currently recorded for each insured building. RIMP will provide a formula for establishing the ACV of each building on the DA Form 4316, on the basis of updated building costs per square foot and local area cost factors. The fund manager/entity administrator may accept the ACV as computed or may request a different ACV with supporting justification.

d. Improvements and betterments will be insured at full ACV.

19–31. Building valuations

a. The costs to build new types of buildings will be obtained from the Army Corps of Engineers (ACOE). RIMP will use these costs to value buildings insured under the RIMP. Fund managers/entity administrators will insure buildings for ACV.

b. ACV will be computed by subtracting the known depreciation from the replacement cost.

c. RIMP may also help to estimate the ACV of buildings. First, find the replacement cost. The building costs per square foot (permanent construction) as of 2003 are shown in table 19–2.

d. To apply to decreased value, RIMP uses straight line depreciation based on the useful life for construction as shown in table 19–3.

e. NAF-funded buildings will be insured for the full ACV of the building and not for the amount of initial construction cost. If insured for an amount less than the ACV, any loss is adjusted based on the ratio of actual insurance to actual value. If a building worth \$500,000 (ACV) is insured for a lower amount (say \$300,000), any loss will be settled based on three-fifths of the loss (insurance carried divided by ACV). (For example, a \$100,000 loss will be settled for \$60,000). The full amount of insurance will be paid only for a total loss.

f. The building costs per square foot above will apply only to buildings in the United States. NAFIs/entities overseas will consult the Army Corps of Engineers or other sources to determine local construction rates and any other factors that would affect the cost per square foot of construction.

Table 19–2
Building costs, per square foot

Facility: Bowling Center Cost: \$151.00 (8 lanes, with pin spotting equipment and automatic scoring device)
Facility: Officers' Club Cost: \$192.00
Facility: NCO Club Cost: \$192.00
Facility: Lodging Facilities Cost: \$131.00
Facility: Autocraft Center Cost: \$110.00
Facility: Youth Center Cost: \$122.00
Facility: Golf Club House Cost: \$127.00

Notes:

¹ For semipermanent construction, use 90 percent of the above values, and for temporary construction, use 60 percent. The area of the building in square feet will show a replacement cost figure. A brick NCO club of 10,000 square feet has a replacement cost of \$1,890,000. These costs are increasing about 10 percent per year.

Table 19–3
Straight line depreciation

Construction: Frame Depreciation: 30 years
Construction: Masonry Depreciation: 45 years
Construction: Fire-resistant (concrete) Depreciation: 60 years

Notes:

¹ A 10-year old brick NCO club with a replacement cost of \$1,890,000 would have an ACV of \$1,470,420 ($10/45 = .222$ depreciation) ($1.000 - .222 = .778$ ACV) ($\$1,890,000 \times .778 = \$1,470,420$). It does not matter that the actual construction cost 10 years ago may have been \$1,000,000. The depreciation rates have no connection with depreciation schedules required by DFAS-IN 37-1 Regulation, Chapter 32 (table 4-1).

19–32. Insured contents

The property program will insure NAFI/entity-owned (including MWR USA/UFM funding practice purchases) or leased—

- a. Contents of buildings (such as furniture, fixtures, and carpets) used during occupancy.
- b. Stock used for resale activities (such as food, beverages, books, and audio equipment).
- c. Property while being carried in NAFI/entity-owned or -leased vehicles.
- d. Fine arts, including paintings, etchings, pictures, tapestries, art glass windows, and other bona fide works of art or rarity, historical value, or artistic merit may be insured with the RIMP. If the value of the item exceeds \$5,000, a description of the item and a current appraisal are required.

19–33. Contents valuation

a. Contents will be insured for ACV. To determine value of property under this section, the replacement cost is determined and depreciation is then deducted. The resultant figure will equal the ACV. The depreciation guide at table 19–1 may also be used.

b. NAFIs/entities may use a straight-line depreciation schedule, normally 10 percent per year. If fixed asset values are reported to RIMP, contents will probably be underinsured so that NAFIs/entities get the replacement costs for their property, apply depreciation factors as they would be used in the event of a loss (para 19–26g), and report ACVs to RIMP for insurance coverage.

c. Inventory held for resale will be valued at the wholesale price paid by the NAFI/entity and not the expected resale price.

d. In the event of a loss, the fund manager/entity administrator is required to provide the date of original purchase, acquisition cost, and replacement cost for items destroyed or damaged. RIMP may elect to replace the damaged or destroyed property. If damaged property is sold for salvage, the salvage income will be used to reduce the loss.

19–34. Perils insured

This program insures NAF buildings, improvements and betterments, and contents against all risks of direct physical loss or damage from any external cause subject to exclusions stated below.

19–35. Perils excluded

a. This program does not insure against loss or damage caused by or resulting from—

(1) Fraudulent or dishonest acts committed by any employees of a NAFI/entity with the intent to cause loss or obtain financial benefit.

(2) Any unexplained loss, mysterious disappearance, or loss or shortage disclosed on taking inventory.

(3) The cost of making good defective design or specifications, faulty workmanship, or faulty material, unless loss by a peril not excluded in this program ensues, and then RIMP will be liable for only such ensuing loss.

(4) Explosion, rupture, bursting, cracking, burning, or bulging of steam boilers, steam turbines, steam engines, gas turbines, pressure vessels, or piping, or apparatus attached to and forming a part thereof, owned, operated, or controlled by the NAFI/entity, except explosion of accumulated gases or unconsumed fuel within the firebox (or the combustion chamber) of any fired vessel, other than gas turbines, or within the flues or passages which conduct the gases of combustion therefrom.

(5) Electrical arcing, injury, or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical equipment except for loss from ensuing fire and RIMP is liable only for such loss.

(6) Ordinary wear and tear or gradual deterioration, rust or corrosion, fungus, decay, wet or dry rot, mold, inherent vice or latent defect or any quality in the property that causes it to damage or destroy itself, unless loss or damage from a peril insured herein ensues, and then RIMP will cover such ensuing loss or damage.

(7) Errors in processing or manufacture of the NAFI's/entity's product. However, any damage to goods, which ensues from any peril insured, is covered by this program.

(8) Loss of market, business interruption, or extra expense because of delay with respect to property in transit.

(9) Normal settling, bulging, cracking, shrinking of foundations, walls, floors, or ceilings unless loss from a peril insured by RIMP ensues.

(10) Loss or damage resulting from freezing of plumbing or heating or fire protection systems in vacant or unoccupied buildings. Unless at the time of loss, normal utility service, including heating, is maintained. All prudent and reasonable efforts must be made to safeguard the property from hazards that may be increased because of the building being vacant and unoccupied.

(11) Loss caused by theft from an unattended vehicle unless all openings into the vehicle are closed and locked, entry is by force, and there are visible marks of forced entry on the outside of the vehicle.

(12) Loss or damage caused by, resulting from, contributed to, or made worse by actual or threatened release, discharge, escape, or dispersal of contaminants or pollutants, all whether direct or indirect, proximate or remote, or in whole or in part caused by, contributed to, or aggravated by any physical damage insured by RIMP unless loss or damage from a peril insured otherwise by RIMP ensues, and then RIMP will be liable for such ensuing damage.

(a) Contaminants or pollutants mean any material that, after its release, can cause or threaten damage to human health or human welfare or can cause or threaten damage, deterioration, loss of value, marketability, or loss of use to property insured under the RIMP property program, including, but not limited to bacteria, fungi, virus, or hazardous substances.

(b) This exclusion will not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, strikes, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism, malicious mischief, meteorite impact, collapse, earthquake, landslide, floods, volcanic action, or tsunami. This exclusion will also not apply when loss or dam-

age is directly caused by leakage or accidental discharge from automatic fire protection systems, nor loss caused by burst pipes.

(13) Mechanical breakdown, malfunction, rupture or bursting caused by centrifugal force, to property owned, operated, or controlled by the NAFIs/entities, unless loss or damage from a peril insured herein ensues, and then RIMP will cover such ensuing loss of damage.

(14) Contamination, evaporation, dampness, or dryness of atmosphere, changes in or extreme temperatures, changes in flavor, color, texture, or finish, unless loss or damage from a peril insured herein ensues, and then RIMP will cover such ensuing loss or damage.

(15) Exposure to rain, sleet, snow, sand, dust, or ice to personal property in the open.

(16) Continuous or repeated seepage, leakage, or flow of water that occurs over a period of 14 days or more.

(17) Losses excluded by paragraph 19–25.

b. In the event of a conflict between this regulation and the commercial insurance policies, the conditions of the commercial insurance policies will take precedence.

19–36. Claims

Losses are reported as required in paragraph 19–26.

19–37. Limits of liability

a. For buildings and betterments and improvements, RIMP is not liable for more than the amount of insurance approved on DA Form 4316.

b. For contents, RIMP will pay the ACV of the asset at the time of the loss or the amount listed by the NAFI/entity on the Review of Insured Exposures, whichever is less.

Section VIII

Other Exposures

19–38. Docks, wharves, and piers

a. *Eligibility for insurance.* Docks, floating docks, wharves, and piers may be insured under this section.

b. *Coverage.* Coverage for docks, floating docks, wharves, and piers will insure against all risks of physical loss or damage from any external cause subject to the exclusions outlined below.

c. *Exclusions.* Excluded from coverage for docks, floating docks, wharves, and piers are losses caused by—

(1) Freezing or thawing.

(2) Impact of watercraft.

(3) Pressure or weight of ice or water whether driven by wind or not.

(4) Losses excluded by paragraphs 19–25a and 19–35, and property limitations outlined in paragraph 19–25b.

d. *Valuation.* Valuation of docks, floating docks, wharves, and piers will be ACV. Requests for insurance for docks, floating docks, wharves, and piers must be submitted on DA Form 4316 and approved by the RIMP.

19–39. Watercraft

a. *Coverage.* This program insures recreational watercraft (including inboard and outboard motors, sailing craft whether auxiliary powered or not, rowboats, and canoes) against all risks of physical loss or damage from any external cause, except as stated below.

b. *Exclusions.* Excluded from coverage are losses caused by—

(1) Operating the insured watercraft in any official or unofficial race or speed test.

(2) Ice or freezing.

(3) Failure of the NAFI/entity to maintain the watercraft in a seaworthy condition.

(4) Losses excluded by paragraphs 19–25 and 19–35.

c. *Valuation.* Watercraft must be insured for ACV or market value of the watercraft. Watercraft and boat motors are separately identified on the Review of Insured Exposures, including the make, model, and serial number of the watercraft or motor. Watercraft accessories such as life jackets and other equipment will be included in general contents values.

19–40. Recreational animals

This program insures animals of recreational programs against all risks of physical loss or damage from any external cause, subject to the exclusions outlined in paragraphs 19–25 and 19–35. Each animal will not be insured for more than

\$2,500. Description or name of the animal and value will be listed on the Review of Insured Exposures. If the value exceeds \$2,500, a professional appraisal will be required.

19-41. Other insurance

a. Business interruption coverage. Business interruption coverage is available for property insured by RIMP to protect against loss of revenue resulting from covered perils. Business interruption will cover loss of revenue plus continuing expenses, including payroll. Fund managers/entity administrators will contact RIMP for application procedures.

b. Special golf course policy. A separate policy available for golf courses will provide coverage for exposures of golf courses otherwise excluded under the RIMP property program. Fund managers/entity administrators will contact RIMP for application procedures.

19-42. Special events insurance

a. RIMP is also able to assist NAFIs/entities with other specialized coverages for special events and prizes.

(1) Weather insurance protects NAFIs/entities against loss of revenue related to outdoor events.

(2) Nonperformance/event cancellation insurance provides coverage for events outside the control of the NAFI/entity that result in nonperformance or cancellation of scheduled events.

(3) Hole-in-one insurance covers prizes for golf tournaments.

(4) Prize/jackpot coverage can be obtained for many different types of events, such as bowling tournaments or bingo jackpots.

b. A separate request is required to obtain special event coverage, such as bingo jackpots or hole-in-one prizes. NAFI fund managers/entity administrators will contact RIMP regarding application procedures. RIMP will assist NAFIs/entities with other coverage needs upon request.

Section IX

Information Systems

19-43. Property covered

a. Electronic equipment and component parts, including data processing systems and similar property of others in the care, custody, and control of the NAFI/entity for which the NAFI/entity is responsible will be covered.

b. Electronic media, including converted data owned by the NAFI/entity and similar property of others in the care, custody, and control of the NAFI/entity for which the NAFI/entity is responsible will be covered. Electronic media means all forms of data, including computer instructions and programs converted to a form usable in computer operations. This includes the materials on which the data are recorded.

c. Reporting requirements include the following:

(1) Computer values must be reported to RIMP to be insured. Newly acquired computer hardware and software must be reported to RIMP within 30 days. The fund manager/entity administrator must provide the item description, serial number, ACV, and building location for each piece of hardware and software to be insured.

(2) When reporting coverage on the Review of Insured Exposures, computer hardware and software will be reported separately and the total insured value for each building location will be shown. A separate sheet itemizing hardware and software by building location will be attached.

d. Coverage will apply at locations listed on the Review of Insured Exposures and temporarily at other locations.

e. RIMP will cover duplicate and backup electronic media for up to \$50,000 at any one backup location. This coverage will apply only to a separate storage location at least 100 feet from a location listed on the Review of Insured Exposures.

19-44. Property excluded

The following property is excluded:

a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, or other documents, except when such property is converted to data form and then only in that form.

b. Data or media that cannot be replaced with others of the same kind and quality, except when such property is listed for coverage on the Review of Insured Exposures and is specifically described.

c. Property loaned, leased, or rented to others while away from NAFI/entity premises.

19–45. Perils insured

Risks of direct physical loss to covered property are subject to the exclusions stated in paragraph 19–46 and paragraphs 19–25 and 19–35.

19–46. Perils excluded

This program does not insure against loss caused by or resulting from—

- a.* Delay, loss of use, loss of market, or any other consequential loss.
- b.* Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation; or insects, vermin, or rodents.
- c.* Dishonest, fraudulent, or criminal acts by employees whether acting alone or in collusion with other persons.
- d.* Any covered cause of loss for which the NAFI/entity is not responsible under the terms of any lease or rental agreement.
- e.* Corrosion, rust, dampness, or dryness, cold or heat.
- f.* Interruption of electrical power supply, power surge, blackout, or brownout if the cause of such occurrence took place more than 1,000 feet from the premises.
- g.* Electrical or magnetic injury, disturbance, or erasure of electronic recordings, if the cause of such occurrence took place more than 1,000 feet from the premises.
- h.* Release, discharge, or dispersal of pollutants.
- i.* Seizure or destruction of property by order of Governmental authority, except as ordered by Governmental authority and taken at the time of a fire to prevent its spread.
- j.* Nuclear hazard, to include—
 - (1) Any weapon employing atomic fission or fusion.
 - (2) Nuclear reaction or radiation, or radioactive contamination from any cause. But direct “loss” caused by resulting fire is payable if the fire would be covered under this program.
- k.* War and military action.
 - (1) War, including undeclared or civil war.
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any Government, sovereign, or other authority using military personnel or other agents.
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by Governmental authority in hindering or defending against any of these.

19–47. Limit of liability

- a.* Coverage will apply for up to but not more than the amounts reported to RIMP for coverage.
- b.* RIMP will pay up to the ACV at the time of the loss of the damaged property, but no more than the cost of repairing or replacing the property with material of the same quality. In the event of loss, the value of property is determined as of the time of loss.
- c.* For electronic media, the value will be the actual cost of reproducing the data and the cost of the media, as reported to RIMP, but no more than the insured value.
- d.* When data are not reproduced, RIMP will pay no more than the cost of blank discs, films, tapes, or similar electronic data processing media, of the same kind and quality.

19–48. Deductible

Each claim for loss or damage will be adjusted separately, and from the amount of each claim, the sum of \$100 will be deducted.

Section X

Vehicles

19–49. Types of vehicles

This program will cover all vehicles licensed for use on public roads, to include automobiles, trucks, tractors, and mobile homes; trailers designed and intended for use with such vehicles; motorcycles, motor scooters, and mopeds; and unlicensed vehicles used in MWR programs, such as golf carts, self-propelled lawn mowers, forklifts, and snowmobiles. It also will cover motor vehicles obtained from DRMO.

19–50. Vehicles insured

- a.* Insurance provided by this program will cover—
 - (1) Motor vehicles owned by a NAFI/entity.
 - (2) Vehicles leased to a NAFI/entity where the lease agreement requires the NAFI/entity to insure against physical damage. A copy of the lease agreement or contract must be sent to RIMP for review.
- b.* Registration of a vehicle with RIMP as described in chapter 13 does not automatically provide physical damage insurance. The fund manager/entity administrator must request physical damage insurance and state the amount of coverage required.
- c.* Each vehicle requiring insurance will be listed separately on the Review of Insured Exposures as explained in paragraph 19–6. Each entry must include the make, model, and VIN.

19–51. Limits of liability

- a.* Each vehicle will be insured at ACV. Claims will be settled on the basis of ACV or the current value listed in a national automobile valuation guide.
- b.* Liability will be limited to the ACV declared on the Review of Insured Exposures or the national automobile valuation guide, whichever is less.

19–52. Perils insured

- a.* Collision of the insured vehicle with another object.
- b.* Upset of the vehicle.
- c.* Comprehensive loss or damage. This includes only—
 - (1) Breakage of glass.
 - (2) Losses caused by missiles, falling objects, fire, lightning, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, vandalism and malicious mischief, riot, and civil commotion.
 - (3) Collision with a bird or animal.

19–53. Perils excluded

In addition to the general exclusions listed in paragraph 19–25, this program will not insure against—

- a.* Damage due to and confined to wear and tear, freezing, or mechanical or electrical breakdown or failure. Damage that is the result of other loss covered under this program will not be excluded.
- b.* Loss of personal effects or clothing.
- c.* Loss to tires unless by fire or theft, or loss or damage at the same time and from the same cause as other loss covered under this program.
- d.* Loss or damage to any—
 - (1) Device or instrument designed to record or reproduce sound, unless permanently installed, including mobile phones.
 - (2) Tape, wire, record, disk, or other medium used with a sound recording or reproduction device or instrument.

Section XI

Aircraft Hull

19–54. Types of aircraft covered

This program covers all aircraft owned or leased by Army flying programs. It does not include Government-owned aircraft or aircraft owned, rented, or leased by private organizations authorized to operate on installations under provisions of DODI 1000.15 and AR 210–22.

19–55. Requirements

- a.* Aircraft purchased in whole or in part using a bank loan or other financing must be insured under this program until the loan or financing is paid in full.
- b.* Aircraft owned outright may be insured at the option of the fund manager/entity administrator. Considering the value of aircraft and the potential impact on the fund in the event of a loss, participation in the program is encouraged.
- c.* RIMP may insure leased aircraft when insurance is not provided by the lessor. Leases providing for insurance will be structured to identify the portion of lease costs attributable to insurance.

19-56. Application

- a.* In addition to listing aircraft on the Review of Insured Exposures, fund managers/entity administrators must complete DA Form 4316-1 for each aircraft to be insured.
- b.* A separate application will be submitted for each aircraft.
- c.* Aircraft will be insured by commercial insurance obtained by RIMP.

19-57. Valuation

- a.* Aircraft must be insured at ACV.
- b.* Present value will be determined from generally accepted used aircraft price guides. Prices will be adjusted as necessary to reflect the value of new or additional equipment installed in the aircraft.
- c.* The adjusted value will be shown on DA Form 4316-1 in block 13.
- d.* Losses to aircraft will be adjusted based on ACV. Appraisals and price guides may be used in determining the extent of liability.

19-58. Perils insured

This program will insure against all risks of loss, damage, or destruction except as specifically excluded.

19-59. Perils excluded

In addition to the general exclusions listed in paragraph 19-25, this program will not insure against—

- a.* Damage due to and confined to wear and tear.
- b.* Damage caused by freezing.
- c.* Damage caused by mechanical or electrical breakdown or failure except as otherwise covered.
- d.* In-flight losses attributable to—
 - (1) Violations of airworthiness or pilot certificates.
 - (2) Use of an aircraft for racing, hunting, or any flying that requires a Federal Aviation Administration (FAA) waiver.
 - (3) Knowingly operating an aircraft in violation of FAA or applicable Army regulations.

19-60. Property excluded

Coverage does not extend to—

- a.* Property being transported within an aircraft.
- b.* Flight information publications, such as maps and charts.
- c.* Portable navigation equipment.
- d.* Spare parts not installed on the airframe.
- e.* Tires, unless loss or damage is caused by theft, vandalism or malicious mischief, or other covered risk.
- f.* Aircraft valued at more than \$250,000.
- g.* Any turbo-prop or turbo-jet aircraft.
- h.* Rotary wing or water alighting.
- i.* Any aircraft with seating for more than seven passengers.

19-61. Claims procedures

- a.* Claims procedures explained in paragraph 19-26 will apply for all claims involving aircraft.
- b.* In addition to RIMP procedures in paragraph 19-26, guidance contained in the Aviation Insurance Program Manual may be obtained from RIMP at the address in paragraph 19-3.
- c.* Calls to RIMP or the insurer to report a loss will be followed up in writing as stated in paragraph 19-26.
- d.* If the loss results in bodily injury or damage to the property of others, RIMP and the commercial insurer will be advised at the time the accident is reported. Resulting claims will be investigated and adjusted by the commercial insurer. The local CJA will be notified of the incident and of claims filed. The claims officer will offer assistance to the insurer as needed.
- e.* In the event of conflict between the commercial aircraft policy and regulatory guidance, the terms of the commercial policy will take precedence.

19-62. Deductible

- a.* When aircraft are lost or damaged all claims coming from the same event will be adjusted separately. From the total of all the adjusted claims coming from the same event, \$500 will be deducted.
- b.* No deductible will apply to loss caused by—

- (1) Fire, explosion, lightning, theft, robbery, vandalism.
- (2) Accidental damage to aircraft transported after being dismantled.

Section XII

Fidelity Bonds

19-63. Applicable protection

Fidelity bonding protects NAFIs/entities against losses of money or property caused by fraud, theft, embezzlement, larceny, or dishonesty by an employee. The amount of bond for each employee will depend on the classification of the position.

19-64. Requirements

All employees must be bonded. Individual employees will not be bonded as such. All employment positions, however, will be bonded in the amounts described below.

19-65. Coverage

a. Class 1 positions will be bonded for \$20,000 and will include—

- (1) Fund managers/entity administrators, including permanently assigned military personnel and APF civilians.
- (2) All executive, administrative, and supervisory officials, department heads, and others who handle, receipt for, or have custody of money, checks, or securities, or are accountable for supplies or other property as a part of their assigned duties.

(3) Any person who has authority to approve or appropriate expenditures; approve, certify, or countersign checks or other disbursements; maintain or audit cash, checks, securities, time records, supplies, or other property; or take physical inventories.

b. Class 2 positions will be bonded for \$5,000 and include all positions other than those listed in paragraph 19-65*a*, above, that are not responsible for money or property.

19-66. Limits of liability

a. Liability will be limited to the amount of the bond in effect for each position.

b. In addition to the standard limits of liability of \$20,000 for Class I positions, excess coverage up to \$230,000 may be obtained for maximum coverage of \$250,000 for Class I positions. Request for excess coverage may be indicated on the Review of Insured Exposures or sent in memorandum format to FMWRC at the address in paragraph 19-3.

19-67. Perils excluded

In addition to the general exclusions listed in paragraph 19-25, fidelity bonds will not cover—

a. Losses caused by any employee if the fund manager/entity administrator was made aware of any previous fraudulent or criminal act committed by the same employee prior to the loss.

b. Losses proved only by an inventory or profit/loss computation and cashier shortages. Losses proved by evidence, wholly apart from inventory or profit and loss computations, and which result from fraudulent or dishonest acts of any employee are not excluded.

19-68. Claims procedures

Claims procedures explained in paragraph 19-26 will apply to all claims involving fidelity bonds. Notifications to the RIMP will also include—

a. The title of the bonded position.

b. The classification of the person assigned to the position.

c. Proof that a loss occurred only through the acts of an employee. However, it is not necessary to name the employee who commits the larceny to recover under RIMP.

Section XIII

Money and Securities

19-69. Money, securities, and collateral damage

The property program covers money and securities and collateral damage to buildings or facilities resulting from any actual or attempted burglary, robbery, or theft.

19-70. Coverage

This program will cover any loss of money or securities inside and outside the premise.

a. Loss inside the premises. This is loss—

(1) By actual destruction, disappearance, or wrongful taking within the NAFI/entity premises, any banking premises, or safe deposit place.

(2) Of other property by safe burglary, robbery, or theft (or attempt).

(3) Of a locked cash drawer, cash box, or cash register by wrongful opening of the container or stealing the container from the premises (or attempt).

(4) By damage to the premises by safe burglary, robbery, or theft (or attempt).

b. Loss outside the premises. This is loss—

(1) By the actual destruction, disappearance, or theft while a messenger or any armored motor vehicle company is transporting property. A messenger is any employee authorized custody of money or securities outside the premises.

(2) Of other property by robbery (or attempt) while a messenger or armored motor vehicle company is transporting it.

c. Counterfeit paper currency. This is loss due to accepting counterfeit paper currency in good faith, in the regular course of business.

19-71. Limits of liability

a. Liability for money and securities claims will be limited to \$50,000 per single loss.

b. In addition to the standard \$50,000 coverage, excess coverage to a maximum of an additional \$50,000 per single loss may be requested by memorandum to RIMP at the address in paragraph 19-3. The maximum payable for any one loss will be \$100,000.

19-72. Perils excluded

In addition to the general exclusions listed in paragraph 19-25, this program will not cover—

a. Losses caused by any fraudulent, criminal, or dishonest act by any employee.

b. The giving or yielding of money or securities for any fraudulent exchange or purchase of goods or services.

c. Accounting or mathematical errors or omissions.

d. Loss of manuscripts, account books, or records.

e. Cash contained in coin-operated amusement or vending machines unless recorded by a continuous recording instrument within the machine.

f. Losses caused by fire, whether or not caused by, contributed to, or arising from an insured hazard, except money and securities stored in a safe or vault.

g. Loss of misplaced bags of cash.

h. Loss due to forgery.

Section XIV

Cargo Shipment Program

19-73. Coverage

The RIMP cargo program will insure shipments of NAF cargo, including transshipments, anywhere in the world and by any route. Coverage for cargo shipments under NAF contracts will be coordinated by the NAF contracting officer with the MWR RIMP POC.

19-74. Requirements

a. Cargo insurance will be provided through a commercial master open cargo policy obtained by RIMP.

b. Cargo insurance will be required if—

(1) The annual value of cargo shipped is \$200,000 or more.

- (2) The value of any single shipment is \$100,000 or more.
- c. Claims will be subject to a \$100 deductible.
- d. The limit of liability will be \$2,500,000 for any one conveyance or for any one place and time. Higher limits must be requested by facsimile or telephone, but RIMP must confirm prior to shipment.
- e. Where a conflict exists between provisions of this regulation and provisions of the master open cargo policy, the terms of the commercial insurance policy will govern.

19–75. Perils insured

All goods shipped under this program will be insured against all risks of physical loss or damage from any external cause, despite percentage of loss, except as specifically excluded. Coverage extends to cargo that is—

- a. Loaded on vessels and connecting conveyances by land or otherwise, but excluding sailing vessels of any kind. Connecting conveyances include motor vehicles and transportation by rail and motor freight lines.
- b. On docks, wharves, or elsewhere on shore.
- c. Transported on aircraft and connecting conveyances.
- d. Shipped through the mail or by parcel post.

19–76. Perils excluded

In addition to the general exclusions listed in paragraph 19–25, coverage will exclude losses caused by—

- a. The absence, shortage, or withholding of power, fuel, or labor unrest, riot, or civil commotion.
- b. Changes in temperature or humidity caused by any strike, riot, or civil commotion.
- c. Inherent vice.
- d. Delay or loss of market.

19–77. Application procedures

a. NAFIs/entities that are required or elect to participate in the cargo program must contact RIMP for reporting procedures.

b. Reports to the commercial insurance carrier will follow these guidelines:

(1) Participating NAFIs/entities will report the value of all cargo shipments on the Declaration for Insurance form to the commercial insurance carrier on a monthly basis (for exempt reports, see AR 335–15). Declaration forms may be obtained from RIMP from the Commander, Family and Morale, Welfare and Recreation Command (IMWR–FM–I), 4700 King Street, Alexandria, VA 22302–4406.

(2) The value of all shipments made each month must be reported within the first 10 calendar days of the following month to the commercial insurance broker, which may be obtained from RIMP. Negative reports are not required.

(3) Shipments will be valued at the total amount of the invoice, normally the cost of goods and freight, plus 10 percent. Where higher values are declared, the insured value will be the value of the shipment. The value of shipments paid in foreign currency will be converted to U.S. dollars based on the rate of exchange in New York City on the date of the invoice.

19–78. Claims procedures

a. *Actions at the point of delivery.*

(1) The condition of the shipment on the delivery documents will be noted and described and the driver's or shipping agent's signature confirming the count or exceptions will be obtained.

(2) Copies of all relevant delivery documents, such as bills of lading, freight bills, invoices, and packing lists, will be obtained.

(3) The shipment will be preserved and protected in its original containers until inspected or surveyed by the insurance carrier's agent.

b. *Claim against the carrier or vendor.* Written claims will be filed against the carrier or vendor, as appropriate, as prescribed by the carrier or vendor, or using the sample format at the MWR website, www.armymwr.org/finance/default.asp?id=6 under offices.

c. *Notice of loss.*

(1) A notice of loss will be submitted within 60 days to RIMP. Letter format notification will include the following information:

- (a) Name and mailing address of the claiming NAFI/entity.
- (b) Name and commercial telephone number of the fund manager/entity administrator.
- (c) Contract number on the Declaration of Insurance provided to the commercial insurance broker.

- (d) Month in which the shipment was reported for coverage.
- (e) Description of goods lost or damaged.
- (f) Date loss or damage was discovered.
- (g) Brief statement of how damage was discovered.
- (h) Description of damage and estimated value of goods lost.
- (2) A copy of the claim against the carrier or vendor will be included.
- d. *Proof of loss.* Proof of loss will normally be established in one of the following ways:
 - (1) *Claims under \$10,000.* The following documents are provided in the Proof of Loss:
 - (a) The complete shipper's invoice, including packing specifications, if available.
 - (b) Ocean or airway bills of lading, freight bills, and delivery receipts or records.
 - (c) Carrier's or vendor's responses to initial claim.
 - (d) Repair estimates or invoices for replacement goods.
 - (e) Photographs of damaged goods, if available.
 - (f) Copy of carrier's written proof of short or missing shipments.
 - (2) *Claims over \$10,000.* The written Notice of Loss from the NAFI/entity will be forwarded by RIMP to the commercial insurance carrier. The commercial insurance carrier will determine the need for the services of an independent marine surveyor.
 - e. *Concealed damages.*
 - (1) Claims for concealed damages or damages that are not detected until after a shipment is accepted will follow the same claims procedure prescribed for other types of damage.
 - (2) Claims against the carrier or vendor will be reported within 3 days after the shipment arrives at final destination.

Section XV

Workers' Compensation

19–79. Recipients

Workers' compensation provides benefits to NAF employees who are disabled because of job-related illness or injury or to surviving spouse and dependents in cases of death resulting from job-related causes.

19–80. Authority

Workers' compensation benefits were established under provisions of the Nonappropriated Fund Instrumentalities (NAFI) Act of 1958 (5 USC 8171–8173), which extends the provisions of the Longshore and Harbor Workers' Compensation Act (LHWCA) (33 USC 901 et seq.) to NAF employees.

19–81. Applicability

- a. Benefits defined in this section will apply to—
 - (1) Employees of NAFIs/entities employed inside the continental United States.
 - (2) Employees of NAFIs/entities who are U.S. citizens or permanent residents of the United States or a territory or possession of the U.S., employed outside the continental United States.
- b. Benefits will not apply to—
 - (1) Active duty military personnel employed by NAFIs/entities.
 - (2) Local civilians employed by NAFIs/entities overseas.

19–82. Coverage

- a. Claims will be adjudicated and paid by a commercial claims service contractor procured by the RIMP. Payments made by the contractor will be derived from funds made available by the RIMP.
- b. Administration will be exercised by the U.S. Department of Labor District Offices, Office of Workers' Compensation Programs. A listing of district offices is provided at the MWR website, www.armymwr.org/finance/default.asp?id=6 under offices.
- c. Compensation will be paid for disability or death arising out of, and in the course of, employment. Compensation will be denied if an injury or death is due solely to intoxication of the employee or resulted from a willful intent to injure or kill oneself or another person.
- d. In broad terms, compensation will cover employees—
 - (1) From the time they report for duty until the time they leave at the end of working hours. It will not normally cover travel to and from work.

- (2) While traveling under temporary duty orders, unless the employee deviates from the scope of employment.
- e.* Except for benefits described in paragraph 19–83, compensation will not be paid for the first 3 days of disability unless the total duration of the disability exceeds 14 days.
- f.* Employees may receive workers’ compensation disability benefits or accrued sick leave if an expressed agreement is signed per AR 215–3. An example of a workers’ compensation claim benefit options statement is provided at the MWR website, www.armymwr.org/finance/default.asp?id=6 under offices. The total weekly payment may not be more than the gross weekly wage at the time of injury.
- g.* The employee may request sick leave or annual leave in conjunction with workers’ compensation disability payments. Policy in AR 215–3 applies.
- h.* Any claimant or claimant’s representative who knowingly and willfully makes a false statement to obtain workers’ compensation benefits is guilty of a felony that may result in a fine, imprisonment, or both.
- i.* Any person who knowingly and willfully makes a false statement to reduce, deny, or terminate benefits to an injured employee may be fined, imprisoned, or both.
- j.* All NAFIs/entities will post a copy of Department of Labor Form LS–242(NF) (Notice of Workers’ Compensation Benefits) in a place that is conspicuous and accessible to all NAF employees. This form states that the employing NAFI/entity holds required workers’ compensation coverage. Table 19–4 is a listing of the forms.

Table 19–4
Workers’ Compensation claim forms

Form Number: LS–1 (Request for Examination or Treatment)

Preparer: Part A, Program manager with coordination of the CPAC–NAF (original and 2 copies). This form must be signed by the program manager. Part B, Doctor (this form must give the name of the physician or medical facility).

Disposition: Give to employee. Authorization is given only once. If more than one authorization is given to the employee, the NAFI/entity will be liable for the expense incurred. Send original to the district office and a copy to the claims service contractor.

Remarks: Part A, Authorizes doctors to treat the employee and the claims services contractor to pay the bill.

Form Number: LS–202 (Employer’s First Report of Injury or Occupational Illness)

Preparer: Employer, after injury or death whether by the employer’s written notice or from other sources (original and 4 copies).

Disposition: File 2 copies with the district office, send 1 copy to the claims service contractor, 1 copy to the RIMP, and retain 1 copy.

Remarks: The LS–202 must be fully completed by the program manager and filed within 10 days.

Form Number: LS–204 (Attending Physician Supplementary Report)

Preparer: Doctor: These are sent after the first report (Part B, LS–1).

Disposition: Sent to the district office and the claims service contractor.

Remarks: Updates treatment record. A physician’s report will be acceptable instead of the LS–204.

Form Number: LS–206 (Payment of Compensation Without Award)

Preparer: The claims service contractor, when compensation is begun and eligibility is not questioned.

Disposition: Sent to the district office and to injured employee with first check by the claims service contractor.

Remarks: Starts disability payments.

Form Number: LS–207 (Notice of Controversion of Right to Compensation)

Preparer: The claims service contractor, when employer advises employee was not injured on the job, is not eligible for compensation, or a question of compensability arises.

Disposition: Sent to the district office by the claims service contractor only.

Remarks: Benefits will not be paid until a determination of compensability is made.

Form Number: LS–208 (Notice of Payments)

Preparer: The claims service contractor, when employee has returned to work or payments have been completed.

Disposition: Sent to the district office and employee by the claims service contractor.

Remarks: Stops disability payments.

Form Number: LS–210 (Employer’s Supplementary Report of Accident or Occupational Illness)

Preparer: Employer, every pay period when employee loses time because of an on-the-job incident.

Disposition: Sent to the claims service contractor.

Remarks: Documents lost time due to on-the-job injury.

Form Number: LS–242 (NF) (Notice to Employees)

Preparer: NAFI/entity personnel office.

Disposition: ACIF sends to NAFI/entity.

Remarks: A printed poster, which should be clearly displayed in the workplace. It advises employees that compensation for on-the-job injuries is available through the employer under LHWCA.

19–83. Benefits

a. Medical care. This includes medical treatment services, medicines, and supplies, subject to provisions of the Longshore and Harbor Workers' Compensation Act (LHWCA).

(1) An employee has the right to choose a physician authorized to provide medical care under the LHWCA, but then may not change physicians without prior approval of the claims service contractor.

(2) At the time of injury, the employing NAFI/entity may select a physician when prompt treatment is needed and the employee is unable to choose.

(3) LS–1 (Request for Examination and/or Treatment) is given to the employee only once. The treating physician will, within 10 days after first treatment, send a medical report to the district director, the claims service contractor, and the employer. Thereafter, the doctor will send reports at regular intervals.

b. Disability.

(1) Employees who become totally disabled, either temporarily or permanently, may receive up to two-thirds of their average weekly wage subject to, but not limited to, the following restrictions:

(a) The average weekly wage will not exceed 200 percent of the national average weekly wage, as determined by the Department of Labor.

(b) The average weekly wage will not be less than 50 percent of the national average weekly wage. An employee earning less than 50 percent of the national average may receive 100 percent of his or her average weekly wage.

(2) Employees who become partially disabled, either temporarily or permanently, may be entitled to, but not limited to, benefits as follows:

(a) Two-thirds of the difference between the average weekly wage before the injury and the actual wage earning capacity after the injury, for a period not to exceed 5 years.

(b) Awards may be allowed for loss of scheduled body parts (that is, hand, foot, eye) as stated in the law.

(3) The following death benefits are payable if the injury results in a qualifying work-related death:

(a) Reasonable funeral expenses, not to exceed \$3,000.

(b) Fifty percent of the employee's average weekly wage, payable to the surviving spouse living with or dependent on the deceased at the time of death. Upon remarriage, compensation totaling 2 years of payment is paid in one lump sum.

(c) Sixteen and two-thirds percent of the employee's average weekly wage, payable to each child, as defined in the LHWCA.

(d) Benefits are also payable to other persons who satisfy the term "dependent," as defined in the LHWCA.

c. Total payments. Total compensation payable in all cases will not exceed two-thirds of the employee's average weekly wage. Payments are made biweekly.

19–84. First reports by employees

NAF employees or their agents must inform the employer of injury or death within 30 days.

19–85. First reports by employers

a. Employing NAFIs/entities must notify the Department of Labor district office, RIMP, and the claims service contractor within 10 days of the date of injury or death or becoming aware of any injury, illness, or occupational disease that results from the employee's employment.

b. Notification is made on LS–202. Instructions for preparing this form and a sample completed form are provided at the MWR website, www.armymwr.org/finance/default.asp?id=6, under offices.

c. Completed forms are prepared and signed by the program manager and reviewed by the servicing CPAC–NAF.

d. Copies are submitted as follows:

(1) Two copies to the appropriate Department of Labor district office listed in table 19–4.

(2) One copy to the claims service contractor at the address listed in table 19–4.

(3) One copy to RIMP at the address in paragraph 19–3.

e. As an exception to LS–202 submission requirements, incidents that do not involve lost time regardless of whether or not medical attention is needed require submission to RIMP and the claims service contractor. Copies of LS–202 are not provided to the Department of Labor district office.

f. Program managers will notify the RIMP and claims service contractor of any doubtful aspects of any claim immediately.

g. NAFIs/entities will keep records of all injuries as required by the LHWCA.

19–86. Claims procedures

Program managers will ensure that the following procedures are implemented in the event of any injury:

a. Arrange for prompt treatment in an emergency, at the installation medical treatment facility or by a civilian physician.

b. Complete Part A, LS–1. A sample form is provided at the MWR website, www.armymwr.org/finance/default.asp?id=6 under offices.

(1) Item 2: The name and address of the physician or medical treatment facility authorized to provide medical service.

(2) Item 12: The address of the servicing Department of Labor district office in table 19–4.

(3) Item 13: Obtain from RIMP the RIMP claims service contractor.

c. Send the completed Part A with the employee to the physician or medical facility whenever possible. In emergencies or where circumstances do not permit the employee to choose a physician, note on the LS–202 that LS–1 was not completed.

d. The doctor or medical treatment facility will send Part B to the Department of Labor district office and the claims service contractor.

Note. The medical authorization in LS–1 will be valid only for initial treatment. Additional or continuing treatment will be authorized only by the claims service contractor.

e. Complete LS–202 as prescribed by paragraph 19–85. The NAFI/entity is subject to Department of Labor fines if this report is not filed within 10 days.

f. Complete LS–210 (Employer's Supplementary Report of Accident or Occupational Illness) if LS–202 described above does not show a return to work date. A sample LS–210 is shown at the MWR website, www.armymwr.org/finance/default.asp?id=6 under offices. A separate LS–210 will be completed and sent to the claims service contractor—

(1) For every pay period the employee remains disabled from performing assigned duties.

(2) When the employee returns to work.

g. Assist the claims service contractor with coordination through the CPAC–NAF.

h. Send all related documents, such as bills, reports, and correspondence of any kind received from any injured employee, agent, doctor, or medical facility, to the claims service contractor with coordination through the CPAC–NAF.

19–87. Use of military medical facilities

a. Use of military medical facilities by NAF employees normally is limited to initial or emergency treatment only and is free of charge. NAF employees are eligible for occupational health services in accordance with AR 40–5. In nonemergency cases and for all other treatment, employees must select a civilian doctor or medical facility, as explained in paragraph 19–83.

b. In CONUS remote areas and OCONUS areas where no adequate civilian medical facilities exist, follow-up treatment or hospitalization is authorized at rates set by The Surgeon General of the Army. The employee must personally pay for military medical treatment. Itemized receipts, however, are sent to the claims service contractor for reimbursement.

c. The first reports explained in paragraphs 19–84 and 19–85 are filed regardless of the source of medical treatment.

19–88. Modified Duty/Return to Work Program

a. A modified duty/return to work program is one of the best ways to keep the costs of workers' compensation claims down. Every effort should be made to return the injured employee to work as soon as the employee is medically released.

b. When bringing an employee back into the workforce on modified duty, the following procedures are followed:

(1) The claims service contractor will notify the CPAC–NAF when an injured employee is released to modified or full duty by the treating physician. A copy of the medical limitations or restrictions imposed by the medical physician is sent to the CPAC–NAF.

(2) The CPAC–NAF, in coordination with the employee's supervisor, will determine whether the employee, with reasonable accommodation, is able return to his/her regular position. If the employee, with reasonable accommodation, cannot perform the essential functions of the position, the CPAC–NAF will review all available openings at the installation to determine if another position exists, which meets or can be modified to meet the physical restrictions of the employee. If a position is not identified for the returning employee, the claims service contractor is notified in writing.

(3) The identified position must be actual work with a proper job description, where the employee can accomplish a task beneficial to the overall workings of the installation. A made-up position will not be acceptable.

(4) When the position is identified and the job description written indicating the modified duties of the position, the job description is provided to the claims service contractor for approval by the treating physician.

(5) After the physician approves the modified duties in the job description, a job offer letter is sent to the employee by certified mail/return receipt requested. If the employee declines the position, the claims service contractor is notified immediately. If the employee accepts the position, the employee is expected to report to the CPAC–NAF on the date and time indicated. If the employee does not appear for work after accepting the position, the claims service contractor is notified immediately.

c. When the employee reports to work, the supervisor will explain exactly what duties are expected of the employee. Every effort is made for a smooth transition back to work.

19–89. Coverage for Korean Nationals

The United States Forces Korea will participate in the Republic of Korea Industrial Accident Insurance Plan for Korean national employees for all treatment and claims for work related injuries and occupational diseases manifested on or after 1 January 2005. For dates of injury prior to 1 January 2005, all claims will be submitted to RIMP for claim adjudication.

19–90. Coverage for other foreign nationals

a. Except for coverage of Korean nationals described in paragraph 19–89, RIMP does not provide workers' compensation benefits for local national employees of U.S. Army NAFIs/entities.

b. The liability of U.S. Army NAFIs/entities located overseas for death or injury to local national employees generally is determined by—

(1) The local laws or customs of the host nation.

(2) The provisions of any SOFA or other applicable agreement or treaty.

c. Where local laws, customs, treaties, or agreements require U.S. Army NAFIs/entities to provide the equivalent of workers' compensation, required coverage is obtained by—

(1) Purchasing appropriate insurance from an authorized local commercial source as an exception to policy stated in paragraph 19–4c.

(2) Contributing to an applicable foreign government managed compensation program.

Section XVI

Unemployment Compensation

19–91. Administration

The NAF Unemployment Compensation Program is administered by RIMP. RIMP will assess NAFIs/entities for the cost of the program, act as liaison with the Department of Labor and State Employment Security agencies to verify benefit payments and quarterly billings and assist in coordinating efforts between payroll offices and CPAC–NAF.

19–92. Verification of benefit costs

a. Eligible former employees apply for unemployment compensation through any office of the State Employment Security Agency or equivalent.

b. The appropriate State agency—

(1) Sends a request for wage and separation information to the servicing NAF payroll office.

(2) Determines eligibility and pays authorized benefits directly to employees.

(3) Provides payment information to the Department of Labor.

c. The Department of Labor bills RIMP for appropriate amounts.

d. RIMP reimburses the Department of Labor from the ACIF Unemployment Compensation reserve.

e. The NAF Unemployment Compensation program is centrally managed by RIMP.

f. RIMP compares statements of charges for the State agencies and from the Department of Labor with payroll information to detect discrepancies and obtain appropriate credits.

g. RIMP will compile management reports to assist in identifying problem areas and make recommendations for improvements.

19–93. Assessment of costs to nonappropriated fund instrumentalities/entities

To provide funds to pay the cost of Unemployment Compensation benefits, RIMP will assess each NAFI/entity a percentage of the NAF U.S. civilian payroll. The percentage charged is based on experience and projected costs to generate funds to cover the cost of the program. RIMP will review the assessment policy and procedure annually.

Appendix A

References

Section I

Required Publications

AR 215–3

Nonappropriated Funds Personnel Policy (Cited in para 4–2*e*.)

AR 215–4

Nonappropriated Fund Contracting (Cited in para 2–4*g*.)

AR 420–1

Army Facilities Management (Cited in para 2–3*s*.)

DFAS–IN 37–1 Regulation, Chapter 32

Accounting Procedures for Army Nonappropriated Fund Instrumentalities (Cited in para 3–16.)

DOD 7000.14–R, Volume 13

DOD Financial Management Regulations, Nonappropriated Funds Policy (Cited in para 4–10*a*(2).)

Section II

Related Publications

A related publication is a source of additional information. The user does not have to read a related publication to understand this publication. Army publications are available on the Army Publishing Directorate website at <https://armypubs.army.mil/>. DOD publications are available at <https://www.esd.whs.mil/dd/>. Code of Federal Regulations are available at <http://ecfr.gpoaccess.gov>. United States Codes are available at <http://www.gpoaccess.gov/uscode>.

AR 1–100

The Army Gift Program

AR 1–201

Army Inspection Policy

AR 5–9

Installation Agreements

AR 11–2

Managers' Internal Control Program

AR 11–7

Internal Review Program

AR 15–6

Procedures for Administrative Investigations and Boards of Officers

AR 15–185

Army Board for Correction of Military Records

AR 25–1

Army Information Technology

AR 25–2

Army Cybersecurity

AR 25–30

Army Publishing Program

AR 25–50

Preparing and Managing Correspondence

AR 25–55

The Department of the Army Freedom of Information Act Program

AR 25-97
The Army Library Program

AR 27-20
Claims

AR 27-40
Litigation

AR 30-22
Army Food Program

AR 36-2
Audit Services in the Department of the Army

AR 37-104-4
Military Pay and Allowances Policy

AR 40-5
Preventive Medicine

AR 40-657
Veterinary/Medical Food Safety, Quality Assurance, and Laboratory Service

AR 40-905
Veterinary Health Services

AR 55-46
Travel Overseas

AR 58-1
Management, Acquisition, and Use of Motor Vehicles

AR 59-3
Movement of Cargo by Scheduled Military Air Transportation

AR 70-1
Army Acquisition Policy

AR 71-32
Force Development and Documentation Consolidated Policies

AR 135-200
Active Duty for Missions, Projects, and Training for Reserve Component Soldiers

AR 165-1
Army Chaplain Corps Activities

AR 190-5
Motor Vehicle Traffic Supervision

AR 190-11
Physical Security of Arms, Ammunition, and Explosives

AR 190-13
The Army Physical Security Program

AR 190-45
Law Enforcement Reporting

AR 190-47
The Army Corrections System

AR 195-2
Criminal Investigation Activities

AR 200-1
Environmental Protection and Enhancement

AR 210-3
Nonstandard Activities of the United States Military Academy and West Point Military Reservation

AR 210-7
Personal Commercial Solicitation on Army Installations

AR 210-14
Installation Status Report Program

AR 210-20
Real Property Master Planning for Army Installations

AR 210-22
Private Organizations on Department of the Army Installations

AR 210-25
Vending Facility Program for the Blind on Federal Property

AR 215-6/AFJI 215-10/OPNAVINST 1710.4B/MCO 1710.23B
Armed Forces Entertainment Program

AR 215-7
Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities

AR 215-8
Army and Air Force Exchange Service Operations

AR 220-90
Army Music

AR 230-3
Department of the Army Welfare Fund

AR 335-15
Management Information Control System

AR 340-21
The Army Privacy Program

AR 350-19
The Army Sustainable Range Program

AR 360-1
The Army Public Affairs Program

AR 385-10
The Army Safety Program

AR 405-10
Acquisition of Real Property and Interests Therein

AR 405-80
Management of Title and Granting Use of Real Property

AR 405-90
Disposal of Real Estate

AR 420-41
Acquisition and Sales of Utilities Services

AR 570-4
Manpower Management

AR 600-4
Remission or Cancellation of Indebtedness

AR 600-8-1
Army Casualty Program

AR 600–8–14

Identification Cards for Members of the Uniformed Services, Their Family Members, and Other Eligible Personnel

AR 600–8–22

Military Awards

AR 600–20

Army Command Policy

AR 600–29

Fund-Raising within the Department of the Army

AR 600–46

Attitude and Opinion Survey Program

AR 600–63

Army Health Promotion

AR 600–85

The Army Substance Abuse Program

AR 608–1

Army Community Service

AR 608–10

Child Development Services

AR 608–18

The Army Family Advocacy Program

AR 608–47

Army Family Action Plan (AFAP) Program

AR 608–48

Army Family Team Building (AFTB) Program

AR 614–200

Enlisted Assignments and Utilization Management

AR 623–3

Evaluation Reporting System

AR 670–1

Wear and Appearance of Army Uniforms and Insignia

AR 672–20

Incentive Awards

AR 690–12

Equal Employment Opportunity and Diversity

AR 690–300

Employment)

AR 690–600

Equal Employment Opportunity Discrimination Complaints

AR 690–950

Career Program Management

AR 710–2

Supply Policy Below the National Level

AR 725–50

Requisition, Receipt, and Issue System

AR 735–5

Property Accountability Policies

AR 735-17

Accounting for Library Materials

AR 870-5

Military History: Responsibilities, Policies, and Procedures

AR 870-20

Army Museums, Historical Artifacts, and Art

AR 930-4

Army Emergency Relief

AR 930-5

American National Red Cross Service Program and Army Utilization

Army Directive 2005-01

Policy for Travel by Department of the Army Officials

Aviation Insurance Program Manual

Published by the United States Aircraft Insurance Group Available from the Commander, Family and Morale, Welfare and Recreation Command (IMWR-FM-I), 4700 King Street, Alexandria, VA 22302-4406.

CTA 50-909

Field and Garrison Furnishings and Equipment

CTA 50-970

Expendable/Durable Items (Except Medical, Class V, Repair Parts, and Heraldic Items)

DA Circular 608-06-1

Better Opportunities for Single Soldiers Program (Available at <http://armymwr.org>.)

DA Pam 25-51

The Army Privacy Program-System of Records, Notices, and Exemption Rules

DA Pam 385-1

Small Unit Safety Officer/Noncommissioned Officer Guide

DA Pam 385-64

Ammunition and Explosives Safety Standards

DA Pam 415-28

Guide to Real Property Category Codes

DA Pam 420-6

Directorate of Public Works Resource Management System

DA Pam 735-5

Property Accountability Procedures and Financial Liability Officers' Guide

DCTI 800-01

Design Criteria (Available at www.hnd.usace.army.mil/techinfo/engpubs.htm.)

DFAS Manual 37-100

The Army Management Structure (by Fiscal Year) (Available at <https://dfas4dod.dfas.mil/>.)

DG 1110-3-110

Design Guide for Libraries (Available at http://www.wbdg.org/ccb/browse_cat.php?o=31=103.)

DOD 4525.8-M

DOD Official Mail Manual

DOD 5500.07-R

Joint Ethics Regulation (JER)

DOD 7000.14-R, Volume 2A

DOD Financial Management Regulations, Budget Formulation and Presentation (Available at <http://www.dodo.mil/comptroller/fm>.)

DOD 7000.14–R, Volume 2B

DOD Financial Management Regulations, Budget Formulation and Presentation (Available at <http://www.dodo.mil/comptroller/fm>).

DOD 7000.14–R, Volume 5, Chapter 34

DOD Financial Management Regulations, Disbursing Policy, Procedures Governing Banks, Credit Unions, and other Financial Institutions on DOD Installations

DODD 1404.10

DOD Civilian Expeditionary Workforce

DODD 4500.54–E

DOD Foreign Clearance Program (Available from <https://www.fcg.pentagon.mil>.)

DODD 5100.03

Support of the Headquarters of Combatant and Subordinate Unified Commands

DODD 5120.20

Management of American Forces Radio and Television Service (AFRTS)

DODD 5132.12

Consolidations and Reductions of U.S. Defense Attaché Offices (DAOS) and Security Assistance Organizations (SAOS)

DODI O–2000.16

DOD Antiterrorism (AT) Program Implementation

DODI 1000.15

Procedures and Support for Non-Federal Entities Authorized to Operate on DOD Installations

DODI 1010.15

Smoke-Free DOD Facilities

DODI 1015.09

Professional U.S. Scouting Organization Operations at U.S. Military Installations Overseas

DODI 1015.10

Military Morale, Welfare, and Recreation (MWR) Programs

DODI 1015.13

DOD Procedures for Implementing Public-Private Ventures (PPVs) for Morale, Welfare, and Recreation (MWR), and Armed Services Exchange Category C Revenue-Generating Activities

DODI 1330.04

Armed Forces Participation in National and International Sports Activities

DODI 1330.09

Armed Services Exchange Policy

DODI 1330.20

Reporting of Morale, Welfare, and Recreational (MWR) Activities Personnel Information

DODI 1330.21

Armed Services Exchange Regulations

DODI 4000.19

Support Agreements

DODI 4105.67

Nonappropriated Fund (NAF) Procurement Policy and Procedure

DODI 5100.64

DOD Foreign Tax Relief Program

DODI 6050.05

DOD Hazard Communication (HAZCOM) Program

DODI 7060.03

International Balance of Payments Program-Nonappropriated Fund Activities

DODI 7600.06

Audit of Nonappropriated Fund Instrumentalities (NAFI) and Related Activities

DODM 4160.21

Defense Materiel Disposition Manual

DODM 4500.36

Acquisition, Management, and Use of DOD Non-Tactical Vehicles

DODM 7600.07

DOD Audit Manual

DTR 4500.9–R

Defense Transportation Regulation (Available at http://www.transcom.mil/j5/pt/dtr_part_ii.cfm.)

EO 13123

Greening the Government through Efficient Energy Management (Available at <http://www.archives.gov/research/index.html>.)

Federal Aviation Regulations

Parts 1, 65, 91, 105, and 149 (Available from http://www.faa.gov/regulations_policies.)

FM 1–0

Human Resources Support

FM 3–21.220

Static Line Parachuting Techniques and Tactics

FMI 3–35

Army Deployment and Redeployment

International Flight Information Manual

Federal Aviation Administration, Air Traffic Organization (Available at <http://www.faa.gov/ats/aat/ifim>.)

IRS Publication 15–A

Employer's Supplemental Tax Guide, 2008 (Available at <http://www.irs.gov/pub/irs-pdf/p15.pdf>.)

IRS Publication 1244

Employee's Daily Record of Tips and Reports to Employer (Available at <http://www.irs.gov/pub/irs-pdf/p1244.pdf>.)

JTR

Joint Travel Regulation (Available at www.defensetravel.dod.mil/perdiem/trvlregs.html.)

MIL–HDBK–3004A1

Quality Surveillance for Fuels, Lubricants, And Related Products (Available at <http://assist.daps.dla.mil/quicksearch>.)

MIL–STD–161G

Identification Methods for Bulk Petroleum Products Systems Including Hydrocarbon Missile Fuels (Available at <http://assist.daps.dla.mil/quicksearch>.)

OPM Operating Manual

Qualification Standards for Positions under the General Schedule (Available at www.opm.gov/qualifications.)

PL 97–365

Debt Collection Act of 1982 (Available at <http://thomas.loc.gov>.)

PL 100–690

Anti-Drug Abuse Act of 1988 (Available at <http://thomas.loc.gov>.)

PL 104–52, Sec. 636

Prohibition of Cigarette Sales to Minors in Federal Buildings and Lands Act (Available at <http://thomas.loc.gov>.)

PL 104–106

National Defense Authorization Act for FY 1996 (Available at <http://thomas.loc.gov>.)

PL 104–134

Debt Collection Improvement Act of 1996 (Available at <http://thomas.loc.gov>.)

PL 106-65

National Defense Authorization Act for FY 2000 (Available at <http://thomas.loc.gov>.)

PL 108-375

National Defense Authorization Act for FY 2005 (Available at <http://thomas.loc.gov>.)

PL 109-145

Presidential \$1 Coin Act of 2005 (Available at <http://thomas.loc.gov>.)

RCS AG-848

Army Flying Activity Annual Status Report (assigned to DA Form 4909, prescribed by this regulation)

RCS CFCFA 218

Approved Resources Report

RCS CSGPA 1701

Centralized Book Acquisition Program (report instructions contained in chapter 8, para 8-22b(9))

RCS CSGPA 1716

Annual NAF Budget Planning Programming APF/NAF Fund Support This report is accessed through the Financial Management Budget System (FMBS), maintained by FMWRC, (IMWR-FM-A), 4700 King Street, Alexandria, VA 22302-4406.

RCS CSGPA 1731

Annual Child and Youth Services Report. This report is accessed at www.armycys.army.mil. It is user name and password restricted. To obtain authorization to access, contact FMWRC, (IMWR-CYS), 4700 King Street, Alexandria, VA 22302-4418.

RCS CSGPA 1734

School Age Services Annual Report. This report is accessed at www.armycys.army.mil. It is user name and password restricted. To obtain authorization to access, contact FMWRC, (IMWR-CYS), 4700 King Street, Alexandria, VA 22302-4419.

RCS DD-P&R(A) 1554

Employees' Compensation and Benefits Report. This report is required by DODI 1330.20. NAF Financial Services electronically inputs data from the central payroll office individual pay roll records and electronically submits the report to FMWRC, who forwards the report to DOD.

RCS DD-P&R(A) 1555

MWR Personnel Strength Report. This report is required by DOD 1330.20. A sample format and instructions for this report are contained in chapter 16, this regulation.

SIM, part 4.08

USPA Skydiver's Information Manual (Available from <http://www.uspa.org>.)

SIM, part 8-2

USPA Skydiver's Information Manual (Available from <http://www.uspa.org>.)

TB MED 530

Food Service Sanitation

TB MED 575

Swimming Pools and Bathing Facilities

TIB 01-12-17

Cardiac Arrest and Automated Extended Defibrillators (AEDS) (Available at www.osha.gov.)

TM 5-803-12

Planning of Outdoor Recreation Areas

UFC 4-740-08AN

Music and Drama Centers (Available at <http://www.wdbg.org>.)

UFC 4-740-10AN

Auto Crafts Center (Available at <http://www.wdbg.org>.)

UFC 4-740-11AN

Recreation Centers (Available at <http://www.wdbg.org>.)

UFC 4-740-18AN

Design Guide for Community Activity Centers (Available at <http://www.wdbg.org>.)

UFC 4-740-20

Unified Facilities Criteria-Libraries (Available at <http://www.wdbg.org>.)

27 CFR 478.125

Commerce in Firearms and Ammunition

29 CFR 1910-1030

Bloodborne pathogens

49 CFR 830

Notification and Reporting of Aircraft Accidents or Incidents and Overdue Aircraft, and Preservation of Aircraft Wreckage, Mail Cargo, and Records

4 USC 104

Tax on motor fuel sold on military or other reservation

5 USC 552a

Records maintained on individuals

5 USC 3111

Acceptance of volunteer service

5 USC 8101-8152

Compensation for Work Injuries; Definitions

5 USC 8171-8173 (Chapter 81, Subchapter II)

Employees of nonappropriated fund instrumentalities

10 USC 1073

Medical and dental care; administration of this chapter

10 USC 1587

Employees of nonappropriated fund instrumentalities: reprisals

10 USC 1588

Authority to accept certain voluntary services

10 USC 2424

Procurement of supplies and services from exchange stores outside the United States

10 USC 2491

Uniform funding and management of morale, welfare, and recreation programs

10 USC 2491a

Department of Defense golf courses: limitation on use of appropriated funds

10 USC 2492

Nonappropriated fund instrumentalities: contracts with other agencies and instrumentalities to provide and obtain goods and services

10 USC 2494

Nonappropriated fund instrumentalities: furnishing utility services for morale, welfare, and recreation purposes

10 USC 2575

Disposition of unclaimed property

10 USC 2643

Commissary and Exchange Services Transportation Overseas

10 USC 2683

Relinquishment of legislative jurisdiction; minimum drinking age on military installations

10 USC 2687

Base closures and realignments

10 USC 2733

Property loss; personal injury or death: incident to noncombat activities of Department of Army, Navy, or Air Force

10 USC 2783

Nonappropriated fund instrumentalities: financial management and use of nonappropriated funds

10 USC 2801

Military Construction; Scope of chapter; definitions

10 USC 2881

Ancillary Support Facilities

10 USC 12301(d)

Reserve components generally

15 USC 1171

Transportation of Gambling Devices; Definitions

15 USC 1175

Specific jurisdictions within which manufacturing, repairing, selling, possessing, etc., prohibited; exceptions

17 USC

Copyrights

17 USC 101

Subject Matter and Scope of Copyright; Definitions

17 USC 922

Unlawful acts

18 USC 201–225

Bribery of public officials and witnesses

18 USC 921–928

Firearms; Definitions

20 USC Chapter 6A

Vending Facilities for Blind in Federal Buildings

22 USC 2381

Exercise of functions

26 USC 4181

Imposition of tax

28 USC 2671–2680

Tort Claims Procedure; Definitions

31 USC 1341

Limitations on expending and obligating amounts

31 USC 1344

Passenger carrier use

31 USC 1350

Criminal penalty

31 USC 3302

Custodians of money

32 USC 502(f)

Required drills and field exercises

33 USC 901

Longshore and Harbor Workers' Compensation Act

37 USC 1007

Deductions from pay

38 USC 106

Certain service deemed to be active service

42 USC 12142

Public Entities Operating Fixed Route Systems

Section III**Prescribed Forms**

Unless otherwise stated, DA forms are available on the Army Publishing Directorate website (<https://armypubs.army.mil/>).

DA Form 1991

Stock Record Card (Prescribed in para G-6b(4).)

DA Form 1992

Nonappropriated Fund Receipt Voucher (Prescribed in para G-1b.) (Available through normal forms supply channels.)

DA Form 1993

Nonappropriated Fund Petty Cash Summary Voucher (Prescribed in para G-4c.) (Available through normal forms supply channels.)

DA Form 1994

Petty Cash Voucher (Prescribed in para G-4c.)

DA Form 3031

Arts and Crafts Center Safety and Equipment Qualification Card (Prescribed in para 8-9b(5)(d).)

DA Form 3031-1

Automotive Skills Shop Safety and Equipment Qualification Card (Prescribed in para 8-10b(2).)

DA Form 3238

Request for Copyright Clearance on Musical or Dramatical Works (Prescribed in para 8-17b(5)(a).)

DA Form 3680

Parade of American Music Entry for Army Performers (Prescribed in para 8-17b(6).)

DA Form 3680-1

Parade of American Music Entry for Army Composers (Prescribed in para 8-17b(6).)

DA Form 3830

Nonappropriated Fund Bank Balances (Prescribed in para 16-20a.)

DA Form 4316

Application for Building Insurance (Prescribed in para 19-6c.)

DA Form 4316-1

Application for Army Flying Activity Aircraft Insurance (Prescribed in para 19-6d.)

DA Form 4722

U.S. Army Nonappropriated Fund Vehicle Registration (Prescribed in para 13-6b.) (Available through normal forms supply channels or from FMWRC (IMWR-FM-I), 4700 King Street, Alexandria, VA 22302-4406.)

DA Form 4762

Athlete's Application (Prescribed in para 8-27g(4).)

DA Form 4878

Army Chess Tournament Application (Prescribed in para 8-16m(2)(a).)

DA Form 4909

Army Flying Activity Annual Status Report (Prescribed in para 8-25g(2).)

DA Form 5318

FY NAF Annual Operating Budget (Prescribed in para 16–13c(1).) (Available from Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 5320–1

APF/NAF Five-Year Financial Plan (Prescribed in para 16–13c(2).) (Available from Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 5321

Capital Purchases, Maintenance and Repair, and Minor Construction (Parts A–D) (Prescribed in para 16–13c(3).) (Available from Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 5322

Monthly Cash Projection Schedule (Prescribed in para 16–13c(4).) (Available from the Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 5462

Tip Allocation Worksheet (Prescribed in para C–10.)

DA Form 5462–1

Continuation of Tip Allocation Worksheet (Prescribed in para C–10.)

DA Form 5556

Personnel Requirements Document (Prescribed in para 14–4a.)

DA Form 5911–E

Five-Year Cash Projection Schedule (Prescribed in para 16–13c(5).) (Available from Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

DA Form 5911–2

NAF Major Construction Schedule (Prescribed in para 16–13c(6).) (Available from Financial Management Budget System, maintained by FMWRC (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.)

Section IV**Referenced Forms**

Unless otherwise indicated, DA forms are available on the Army Publications Directorate website (<https://armypubs.army.mil/>); DD forms are available on the Executive Services Directorate website, (<https://www.esd.whs.mil/directives/forms/>). Standard forms (SF) and Optional Forms (OF) are available on the U.S. General Services Administration website (<http://www.gsa.gov>). IRS forms are available on the Internal Revenue Service website (<http://www.irs.gov>) and LS forms are available on the Department of Labor website (<http://www.dol.gov>).

DA Form 11–2

Internal Control Evaluation Certification

DA Form 285–AB

U.S. Army Abbreviated Ground Accident Report (AGAR)

DA Form 1058

Application for Active Duty for Training, Active Duty for Operational Support, and Annual Training for Soldiers of the Army National Guard and U.S. Army Reserve

DA Form 1602

Civilian Identification (Available through normal forms supply channels.)

DA Form 2028

Recommended Changes to Publications and Blank Forms

DA Form 2062

Hand Receipt/Annex Number

DA Form 2107

Nonappropriated Fund Receipt and Disbursement Voucher

DA Form 2397 series

Technical Report of U.S. Army Aircraft Accident

DA Form 2397–AB

Abbreviated Aviation Accident Report (AAAR) for all Class C, D, E, F, Combat A and B, and all Aircraft Ground

DA Form 2600

Referral and Selection Register

DA Form 3161

Request for Issue or Turn-in

DA Form 4017

Request for Personnel Action Nonappropriated Fund Instrumentality

DA Form 4067

Request for Quotations (Nonappropriated Funds) (EGA) (Available from www.mwrportal.army.mil/snacs.)

DA Form 4082

Daily Cashier's Record

DA Form 4083–R

Vending and Amusement Machine Collections

DA Form 4162

Volunteer Service Record

DA Form 4187

Personnel Action

DA Form 4713

Volunteer Daily Time Record

DA Form 5671

Parental Permission

DA Form 7305

Worksheet for Telephonic Notification of Aviation Accident/Incident

DA Form 7306

Worksheet for Telephonic Notification of Ground Accident

DA Form 7380

Installation Quality of Life Issue

DD Form 4

Enlistment/Reenlistment Document—Armed Forces of the United States

DD Form 250

Material Inspection and Receiving Report

DD Form 448

Military Interdepartmental Purchase Request

DD Form 1348

DoD Single Line Item Requisition System Document (Manual)

DD Form 1391

FYMilitary Construction Project Data

DD Form 1844List of Property and Claims Analysis Chart

DD Form 2406

Miscellaneous Obligation Document

DD Form 2793

Volunteer Agreement for Appropriated Fund Activities, Non Appropriated Fund Instrumentalities

IRS Form W-9

Request for Taxpayer Identification Number and Certification

IRS Form 1096

Annual Summary and Transmittal of U.S. Information (Returns)

IRS Form 1099-Misc

Miscellaneous Income

IRS Form 4070

Employee's Report of Tips to Employer

IRS Form 8027

Employer's Annual Information Return of Tip Income and Allocated Tips

LS-1

Request for Examination and/or Treatment

LS-202

Employers' First Report of Injury or Occupation Illness

LS-204

Attending Physician's Supplementary Report

LS-206

Payment of Compensation Without Award

LS-207

Notice of Controversion of Right to Compensation

LS-208

Notice of Payments

LS-210

Employer's Supplementary Report of Accident or Occupational Illness

LS-242 (NF)

Notice to Employees (Available from <http://armymwr.org/contactus/default.aspx>.)

OF 346

U.S. Government Motor Vehicle Operator's Identification Card

OF 1164

Claim for Reimbursement for Expenditures of Official Business

OF 1169

U.S. Government Transportation Request

SF 50

Notification of Personnel Action

SF 52

Request for Personnel Action

SF 700

Security Container Information

SF 1094

United States Tax Exemption Form

U.S. Department of Justice Form 4473

Firearms Transaction Record (Available at <https://www.atf.gov/firearms/firearms-forms>.)

Appendix B

Forums

B–1. The Soldier and Family Readiness Board of Directors

The Soldier and Family Readiness Board of Directors (SFR BOD) is a strategic forum, combining the former Installation Management Board of Directors and Morale, Welfare and Recreation Board of Directors. The SFR BOD provides the Army's senior executive leadership with a strategic forum in which to guide the fulfillment of the Army Family Covenant and to maintain Soldier and Family readiness in a time of persistent conflict.

B–2. Operations

a. The Secretary of the Army and Chief of Staff of the Army are co-chairs of the SFR BOD. Other SFR BOD membership is drawn from the under Secretary of the Army, Vice Chief of Staff of the Army, selected Assistant Secretaries, and Army Commanding Generals and Army Staff.

b. The Assistant Chief of Staff for Installation Management is the Executive Secretary of the SFR BOD, and is responsible for the administrative support of the SFR BOD.

c. The SFR BOD will meet twice annually. One meeting will be in the fall in the National Capital Region to coincide with the Army 4-star conference. The other meeting will normally be held in the spring at another Army installation outside the National Capital Region.

d. Prior to submitting the recommended agenda of the SFR BOD to the SA and CSA for approval and modification, the Executive Secretary will propose issues for the SFR BOD agenda for consideration by the SFR BOD members, the Army Staff, or the SFR Executive Committee. The Executive Secretary will recommend proposed topics to the Director of the Army Staff (DAS) and seek guidance and direction from the VCSA. Approved topics will be tasked through the Executive Communications and Control (ECC) for preparation.

e. Official communications to the SFR BOD will be addressed to the Deputy Commanding General, Installation Management Command, who acts on behalf of the Executive Secretary.

f. The OACSIM will maintain an approved SFR BOD charter that outlines in detail its background, vision, mission, purpose and structure, duties, frequency of meetings and other operations, and areas of interest to the SFR BOD.

B–3. Committees

a. *Soldier Family Readiness Executive Committee (EXCOM).* The EXCOM is a 3-star senior level forum established to assist the Executive Secretary in reviewing issues and proposals for presentation to the SFR BOD. Detailed SFR EXCOM membership and functions will be provided in the SFR BOD charter document.

b. *Soldier Family Readiness Working Group (SFR WG).* The Working Group is a Council of Colonels level forum established to assist the Executive Secretary in developing and reviewing issues and proposals for presentation through the SFR EXCOM to the SFR BOD. Detailed SFR WG membership and functions will be provided in the SFR BOD charter document.

c. *Capital Investment Review Board (CIRB).* The CIRB reviews and prioritizes NAF construction projects for the EXCOM. Detailed CIRB membership and functions will be provided in the SFR BOD charter document.

d. *Other committees.* Committees or subcommittees will be established as the SFR BOD directs or as required by regulation. Special committees or subcommittees will be organized as appropriate to act on areas of interest, and to report their findings to the SFR BOD.

Appendix C

Tip Allocation/Reporting Requirements

C-1. Tax liability

a. Food and beverage programs keep records on gross food and beverage sales and tips reported by employees. If employees do not report tips equal to 8 percent of gross food and beverage sales, the employing NAFI/entity will assume that employees received tips of 8 percent or the difference between 8 percent and the amount actually reported. This information will be reported to the IRS on each employee's W-2 statement. The employee is liable for income taxes on the reported amount.

b. Tip allocation requirements will apply to all NAF food or beverage service operations located in the 50 States and District of Columbia. Managers will identify each separate type of service provided, such as bars, buffets, formal dining rooms, or snack bars, because applicability of tip allocation procedures is determined by type of service.

c. IRS Form 8027 is required to be filed with the appropriate IRS office not later than the last business day in February of each year. Copies of IRS Form 8027 will be submitted to IMCOM Region by 10 February of each year for review and approval prior to mailing to the IRS.

C-2. Definitions

a. *Tip*. Any amount paid to an employee at the option of the customer. It may be paid in cash directly to the employee or entered as a separate item on a credit card sales slip. Tips charged on credit cards may be either paid to the employee immediately from available cash or reported to the payroll office and added to the next paycheck, as determined by the employing NAFI/entity.

b. *Service charge*. A percentage of the total charge for food and beverages automatically added to each customer's bill and subsequently distributed by the employing NAFI/entity to all eligible employees. It differs from a tip in that the charge is automatic and not a customer option. Service charge distributions to employees are considered cash wages for which the employing NAFI/entity is liable for withholding and FICA taxes.

c. *Gratuity*. Either a tip or a service charge, depending on whether the amount is voluntarily contributed by the customer or automatically added to food and beverage charges.

d. *Tip offset*. The amount an employer may reduce a tipped employee's wages to offset the amount of tips reported while meeting minimum wage requirements. Tipped employees must receive an amount of compensation, including tips and wages, at least equal to the minimum wage. Tip offset is not available in all States and implementation varies among the States in which it is allowed. Although NAFIs/entities are generally immune from State laws, as discussed in chapter 3, tip offsets will not be implemented without prior clearance from the installation SJA. Tip offset is different than tip allocation, however, amounts offset are reportable under allocation.

e. *Tip allocation*. Procedures used by employing NAFIs/entities to allocate tip income equitably among affected employees when the amount of tips reported does not equal or exceed 8 percent of gross sales. Resulting tip income amounts are reported to the IRS.

C-3. Tip allocation

a. Tip allocation procedures apply only to employees who receive tips directly from customers. This includes arrangements where tips are pooled and subsequently divided among participating employees.

b. Tip allocation requirements do not apply to indirectly tipped employees, such as cooks, busboys, and helpers who receive a portion of tips collected either directly from employees receiving tips or through tip pools. Although indirectly tipped employees are not subject to tip allocation procedures, tip reporting requirements apply.

C-4. Employee reporting requirements

a. Employees who receive tips of \$20 or more in any month are personally responsible for reporting as stated below.

(1) To the employing NAFI/entity, for the purpose of determining if tip allocation procedures must be implemented. Tip allocation is required if the total amount of tips reported does not equal or exceed 8 percent of gross sales.

(2) On Federal and State income tax returns, regardless of amount. Failure to declare tip income may subject the employee to audit, interest, penalties, and other sanctions as provided by the Internal Revenue Code and applicable State law.

b. Except for charged tips paid immediately from available cash, employing NAFIs/entities that collect gratuities in any form are responsible for reporting all types of gratuities, whether tips or service charge distributions, to the payroll office.

c. Regardless of reporting requirements described above, each employee is ultimately responsible for maintaining adequate records of tips received. IRS Publication 1244 and IRS Form 4070 have been developed for this purpose and may be used to report tip income to the employing NAFI/entity. The employee portions of IRS Pub 1244 are generally sufficient to prove tip income in the event of a tax dispute. Otherwise, the amount of tip income will be determined by the IRS.

C-5. Payroll procedures

The payroll office is responsible for the following functions:

a. Including all tips not received immediately by employees in their next paycheck. (Income from tips is considered income to the individual and is not subject to withholding.)

b. Including all distributions from service charges in the employee's next paycheck. (Income from service charges is considered income to the employing NAFI/entity and is subject to the same Federal, State, and Social Security (FICA) tax withholding requirements as any other income. The distribution paid to employees therefore is the net entitlement after withholding.)

c. Listing payments of gratuities of all types, whether tips or service charge distributions, as "other income" on employee pay statements.

d. Reporting the total amount of gratuities paid to each employee in each calendar year to the IRS, in accordance with applicable IRS rules.

C-6. Allocation criteria

Food and beverage programs that are not exempted from tip allocation requirements under the provisions of paragraph C-7 allocate tips among all directly tipped employees whenever the total amount of tips reported does not equal or exceed 8 percent of gross food and beverage sales. If the amount of tips reported equals or exceeds 8 percent, no allocation is required.

C-7. Exemptions

a. The types of food or beverage programs that are generally exempt from tip allocation requirements are—

- (1) Cafeterias.
- (2) Snack bars without table service.
- (3) Buffets.
- (4) Party contracts with a service charge of 10 percent or more.
- (5) Any other food or beverage service with a service charge of 10 percent or more.

b. The following types of programs that are automatically exempted are—

- (1) Those that do not allow tipping.
- (2) Those with tip rates of less than 2 percent of gross sales.

C-8. Requests for lower tip allocation rates

Managers of programs that consistently generate tips of more than 2 percent but less than 8 percent of gross sales may apply to the IRS to reduce the allocation rate from 8 percent to a level consistent with actual tips received. To apply—

a. Determine the average tip rate based on charge receipts and other available data.

b. Request a reduction in the tip allocation rate by letter addressed to the district director of the servicing IRS district office, with the following supporting information, as a minimum.

- (1) Actual tip rate and supporting data.
- (2) Description of the food or beverage service program.
- (3) Menu prices.
- (4) Location.
- (5) A description of the food or beverage operation that clearly indicates the level of self-service activities.
- (6) Days and hours of operation.
- (7) Method of payment.
- (8) Allocation rate requested.
- (9) Copies of IRS Form 8027 for the last 3 years.

c. The IRS district director will approve or disapprove the request or require additional information. Approval of request will state the allocation rate and the period for which it is valid.

d. A single application may be filed in the case of two or more programs on the same garrison that experience similar tip rates.

C-9. Allocation methods

Tip allocation may be based on either of the methods specified in this paragraph. The method should be implemented at the beginning of the calendar year and not changed during the remainder of the year.

a. Total sales method. This is the preferred method and involves maintaining records of total sales by each affected employee.

b. Hours worked method. This method allocates tips proportionally among affected employees, based on hours worked. Generally, this method is used by programs that do not have the capability of recording total sales by each employee.

C-10. Allocation procedure

Tips are allocated based on a mathematical formula prescribed by the IRS and integrated into DA Form 5462 (Tip Allocation Worksheet) and DA Form 5462-1 (Continuation of Tip Allocation Worksheet).

a. DA Form 5462 must be used to calculate tip allocations distributed among affected employees.

b. Data collected on DA Forms 5462 and 5462-1 for each year is compiled and entered on IRS Form 8027 at the end of each year. IRS Form 8027 is filed annually with the servicing IRS district office by the last day of February for the previous calendar year.

c. Detailed instructions for completing DA Forms 5462 and 5462-1 are found at www.armymwr.com or may be requested from FMWRC.

C-11. Employer identification number

Each food and beverage activity must have a unique 15-digit employer identification number for tip allocation purposes. The number identifies each specific reporting program and the nature of its food and beverage operations, as follows:

a. The first nine digits identify the employer.

b. Generally clubs will be assigned a 2 or 3 as the 10th digit; other programs will be assigned a 3 or 4. The 10th digit identifies the nature of the food and beverage operations from among the following categories:

- (1) Serves only dinner.
- (2) Serves dinner and other meals.
- (3) Serves meals other than dinner.
- (4) Serves alcoholic beverages with only incidental or no food service.

c. The last five digits are assigned by the reporting program, beginning with 00001, and used to identify separate operating locations of the same reporting program, such as annexes, or to differentiate between different operating elements of the same reporting program, such as the formal bar, informal bar, dining room, and other functional areas of the same club. An example is the employer identification number (10 digits) plus 00001 for the bar and 00002 for the dining room of an officers' club.

Appendix D

Appropriated Fund and Nonappropriated Fund Funding Authorizations

D-1. Funding resources

MWR programs and other NAFIs are resourced from either APFs or NAFs or a combination of both or private commercial resources where authorized and appropriate. NAF expenditures for valid MWR purposes are not an augmentation of appropriations. Additional funding policies are addressed in chapter 5 of this regulation. Funding standards for all categories of MWR programs can be found in paragraph 16-4, this regulation.

D-2. Funding authorizations

General funding authorizations for NAFIs are outlined in table D-1.

Elements of Resources	APF			NAF
	A	B	C ^{1, 2, 3, 4}	
1. Military personnel. See chap 14, this regulation and ARs 570-4 and 614-200.				
a. <i>Permanent assignment.</i>				
(1) ECECS.	Authorized	Authorized	Authorized	Not Applicable
(2) When determined that military personnel are required to support wartime or contingency operations, required for overseas rotation, or cannot be filled effectively with civilians.	Authorized	Authorized	Not Authorized	Not Applicable
(3) A lifeguard position at swimming pool.	Authorized	Not Authorized	Not Authorized	Not Applicable
(4) All other personnel.	Authorized	Authorized	Not Authorized ⁵	Not Applicable ⁶
b. <i>Temporary assignment.</i> Assigned on a temporary basis (includes special duty and its two components borrowed military manpower and troop diversion) to perform duties or functions primarily associated with MWR programs and activities for no longer than 90 days (see chap 14). Assignments may be made only when mobility or deployment requirements occur or when training to upgrade or maintain essential military skills cannot be provided through other means. (Temporary assignment is also subject to the provisions in ARs 570-4 and 614-200.)	Authorized	Authorized	Authorized	Not Applicable
c. <i>Detailed.</i> Active duty military personnel detailed to perform duties on an infrequent or one-time basis in support of an MWR garrison-wide event (for example MWR concert). Authorization to detail military personnel is at the discretion of the commander.	Authorized	Authorized	Authorized	Not Applicable
2. Civilian Personnel. See chapter 14, this regulation.				
a. <i>Permanent assignment utilization.</i>				
(1) Performing ECECS.	Authorized	Authorized	Authorized, except for AAFES unless authorized by footnote 7	Authorized
(2) Personnel performing managerial functions or requiring technical and/or professional qualifications.	Authorized	Authorized	Not Authorized ⁷	Authorized

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
Also personnel accountable for APF resources and the protection in the interest of the Federal Government.				
(3) Personnel directly and primarily involved in resale (see chap 12 and glossary).	Not Authorized	Not Authorized	Not Authorized	Authorized
(4) For any other personnel.	Authorized	Authorized	Not Authorized	Authorized
b. <i>Additional/collateral duties.</i> Applies to APF employees who are assigned duties on an additional or collateral duty basis. These duties are in addition to the civilian employees' primary duty assignment and may be of an ECECS or operational nature. When less than 25 percent of duties are NAF or MWR specific, no cost should be allocated to the NAFI or MWR program.	Authorized	Authorized	Authorized ⁷	Not Applicable
3. CPAC/CPOC Support.				
a. Technical advice and counsel that may be provided by the CPAC/CPOC to assist in the personnel management of employees paid with NAFs.	Authorized	Authorized	Authorized	Not Authorized
b. Day-to-day personnel administration of employees paid with NAFs to include, but not limited to, recruitment, placement, position classification, salary and wage administration, training, personnel records maintenance, employee relations, and personnel matters.	Authorized when no additional incremental APF costs are incurred	Authorized when no additional incremental APF costs are incurred	Authorized when no additional incremental APF costs are incurred	Authorized
4. Family Housing Overseas. Applies to employees who are authorized housing or a housing allowance in overseas areas.				
a. <i>APF Personnel.</i>	Authorized	Authorized	Authorized	Not Authorized
b. <i>NAF Personnel.</i>	Authorized for APF-authorized positions	Authorized for APF-authorized positions	Authorized for APF-authorized positions	Authorized
5. Personnel Evacuation Expenses. Includes evacuation payments, evacuation transportation to and from safe-haven locations, and per diem and subsistence allowances for employees ordered to evacuate by the commander or other DOD authority.				
a. <i>APF personnel.</i>	Authorized	Authorized	Authorized	Not Authorized
b. <i>NAF personnel.</i> NAF employees may not receive evacuation benefits beyond the amounts and limitations authorized in the JTR.	Authorized	Authorized	Authorized	Authorized only when APFs are not available or sufficient
6. Travel of Personnel.				
a. <i>Permanent change of station (PCS).</i> Applies to relocation of APF and NAF personnel assigned on a full-time permanent basis to NAFI programs and activities for—				
(1) <i>APF personnel.</i>	Authorized	Authorized	Authorized	Not Authorized
(2) <i>NAF personnel.</i> APFs not authorized in categories A, B, and C except for APF-authorized NAF positions or for costs that are a direct result of an approved	Not authorized	Not authorized	Not authorized	Authorized

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
BRAC action.				
<i>b. Temporary duty (TDY) travel.</i>				
(1) Applies to TDY for personnel employed by or assigned or detailed to NAFI programs and activities.				
(a) <i>APF personnel.</i> NAF authorized for personnel engaged in internal NAFI operations.	Authorized	Authorized	Authorized	Authorized
(b) <i>NAF personnel.</i> APFs authorized in categories A, B, and C when travel is directed by an authorized DOD official and relates to the APF business.	Authorized	Authorized	Authorized	Authorized
(2) Participants in athletic, recreation, and entertainment events conducted as part of the MWR program. Includes international and national sports competitions authorized by statute and other DOD issuances to include command supervision. (See chapter 8.) NAFs authorized in category B competitions when APFs are not sufficient NAFs authorized for other competitive events budgeted by FMWRC.	Authorized	Authorized	Not Authorized	Authorized
7. Use of Government-Owned Vehicles. Relates to use of Government-owned, motor pool-controlled passenger vehicles by a NAFI program or activity. APFs authorized in category C to assist in the performance of ECECS (see chap 13). NAFs authorized to reimburse APFs for use of Government-owned vehicles for other than ECECS in category C.	Authorized	Authorized	Authorized	Authorized
8. Transportation of Things.				
<i>a. Goods purchased with APFs.</i>	Authorized	Authorized	Authorized	Not Authorized
<i>b. Goods purchased with NAFs.</i>				
(1) Transoceanic movement of goods from CONUS sea and aerial ports of embarkation to first destination OCONUS or bulk breakdown point. (See chap 13.) NAFs not authorized for AAFES per footnote 8.	Authorized	Authorized	Authorized. Must be used for AAFES per footnote 8	Authorized when APFs are not available
(2) Transoceanic movement of goods from OCONUS sea and aerial ports of embarkation to first destination CONUS or bulk breakdown point.	Authorized	Authorized	Authorized	Authorized when APFs are not available
(3) Movement of U.S. and foreign goods within foreign areas when commercial transportation is not available or in contingency areas. Includes the movement of goods to remote and isolated locations.	Authorized	Authorized	Authorized	Authorized when APFs are not available
(4) Movement of U.S. goods between DOD installations because of base closure or to safeguard goods under emergency conditions, for example, threat of hostile force or natural disaster.	Authorized	Authorized	Authorized	Authorized when APFs are not available
(5) All other transportation of NAF goods. Not authorized in all categories except on a reimbursable basis. Initial APF funding permitted only when NAFs reimburse APFs.	Not authorized	Not authorized	Not authorized	Authorized
<i>c. Household goods.</i> Applies to the authorized transportation of household goods for either—				

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
(1) <i>APF personnel.</i>	Authorized	Authorized	Authorized	Not Authorized
(2) <i>NAF personnel.</i> APFs authorized for categories A, B, and C for APF-authorized NAF positions. Initial APF funding is permitted for other NAF positions only when NAFs reimburse APFs (except at BRAC locations that are authorized APFs).	Authorized	Authorized	Authorized	Authorized
9. Utilities and Rents.				
a. <i>Utilities.</i> Applies to heat, steam, water, gas, electricity, air conditioning, and other utility services for buildings on military installations authorized to be used for MWR and other NAFI purposes and other MWR activities for members of the Armed Forces (10 USC 2492). See AR 420-41 for purchase, installation, and maintenance of metering devices. Sewage disposal and garbage and trash removal are not considered utilities (see para 13h).	Authorized	Authorized	Authorized except for golf courses and golf course structures per footnote 9	Authorized for category C costs in CONUS when APFs are not available, and when not precluded by footnote 10
b. <i>Rents.</i> Applies to the use and possession of non-DOD lands, buildings, and other improvements and installed equipment for a specified period through contract, lease agreement, or other legal instrument when authority is granted through appropriate channels. APFs not authorized in categories A, B, and C except upon specific approval by the Secretariat and in accordance with AR 405-10. Use of NAFs for limited term leasing of recreational facilities is authorized for category C per chapter 5.	Not authorized	Not authorized	Not authorized	NAF leases authorized in accordance with AR 215-4 and AR 405-10
10. Communications.				
a. <i>Electronic communications.</i> Applies to electronic communications (telephone, internet, television, Defense Service Network (DSN), fax, public address systems, and other electronic media) provided to NAFIs.				
(1) Support of command management functions, statistical data gathering, communications with other DOD and Government agencies, and OCONUS. APFs authorized for category A internet cafes in deployed areas.	Authorized	Authorized	Authorized	Not Authorized
(2) Support of the operational function of the activity, for example, procurement of items for resale and collection of income for merchandise or services sold in CONUS.	Not authorized	Not authorized	Not authorized	Authorized
b. <i>Postal service, mail indicia, and postage.</i>				
(1) <i>For official mail.</i> Any material transmitted through domestic, international, or military postal channels that relates exclusively to U.S. Government purposes, such as official communications with and between Government agencies/individuals, communications with commercial agencies and communications related to common support functions. APFs are not authorized for resale of goods and services or collection of result-	Authorized	Authorized	Authorized	Authorized for all correspondence related to the operation of the NAFI

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
ing income, regardless of category.				
(2) <i>For unofficial mail.</i> The transmission of any material that relates exclusively to a similar commercial business operation, such as inventory procurement and sales, collection of income, advertising, NAF equipment maintenance, and so forth. (Does not preclude use of APO/FPM for unofficial mail.)	Not authorized	Not authorized	Not authorized	Authorized
11. Equipment Maintenance.				
a. <i>Government-owned equipment.</i> Applies to maintenance, repair, overhaul, or rework of equipment. Category C authorized APFs except for surplus/excess Government equipment.	Authorized	Authorized	Authorized	Authorized
b. <i>Equipment acquired with NAF.</i> APFs authorized in all categories for equipment acquired with NAFs but authorized for purchase with APFs where title transfers to the Government.	Authorized	Authorized	Authorized	Authorized
12. <i>Printing and Reproduction.</i> Applies to printing and reproduction (work done on printing presses, lithographing machines, and other duplicating; related binding operations; photography; electronic media; microfilming; formats and forms; editing; and graphics (see AR 25-30).				
a. APFs authorized for all costs in categories A, B, and C except those costs related to the sale of merchandise or services and the internal operation of NAFIs.	Authorized	Authorized	Authorized	Authorized
b. Category C MWR programs may use Army printing facilities for publicity of activities only when commercial reproduction services are not available and NAFs will reimburse.	Not Applicable	Not Applicable	Authorized	Authorized
13. Services.				
a. <i>Education and training.</i> Pertains to the advancement of job knowledge, development of skills, and improvement of abilities of NAFI personnel.				
(1) APF positions and APF-authorized NAF positions.	Authorized	Authorized	Authorized	Authorized for NAF personnel. Not authorized for APF non-tuition courses
(2) APF and NAF positions for supervisory, agency, or Army approved education or training that is not job unique such as management and/or leader development courses, quality training, health and safety, sexual harassment, and so forth. All NAF employees may attend such courses with supervisory approval. NAFs not authorized for APF non-tuition courses.	Authorized	Authorized	Authorized	Authorized for NAF personnel
b. <i>Auditing services.</i> Relates to the independent examination, review, and evaluation of records, controls, practices, and procedures in the area of financial and operational management of the NAFI/activities by DOD or Army audit organizations or independent pub-	Authorized in accordance with AR 11-7			

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
lic accountants, per AR 11-7.				
c. <i>Data automation.</i> Applies to automated data processing system development or operation (personnel, equipment, supplies) needed for either essential command supervision and to discharge a commander's supervisory responsibility for management review and analysis.	Authorized	Authorized	Authorized	Authorized for costs related to internal management of NAF resources of NAFIs
d. <i>Financial management services.</i> Relates to those services that reflect the preparation of APF and NAF budgets, provides accounting for financial management data, facilitate the preparation of financial reports, and provide for management review and analysis to ensure proper control over all resources that support NAFIs. APFs authorized in categories A, B, and C to provide technical guidance and assistance in preparing budgets, financial and analytical data required for ECECS. APFs not authorized in categories A, B, and C for NAF accounting and analytical functions.	Authorized	Authorized	Authorized	Authorized for all costs related to NAF accounting and analytical functions required for the operation of NAFIs
e. <i>Legal services.</i> Legal services provided by judge advocates at all command levels.	Authorized	Authorized	Authorized	Authorized for NAFI internal legal staffing
f. <i>APF contracting office assistance and administration.</i>				
(1) <i>Assistance.</i> Applies to the technical advice and assistance that may be provided by the procurement office to assist NAFI management in procuring goods and services with NAFs.	Authorized	Authorized	Authorized	Not applicable
(2) <i>Administration.</i> Applies to the functions of procurement (source development, preparation of documents, negotiation of prices, contract administration and audit, and related procurement functions) being performed by the procurement office in the procurement of goods and services with NAFs. APFs authorized for categories A, B, and C when no additional incremental APF costs are incurred.	Authorized	Authorized	Authorized ¹¹	Authorized
g. <i>Custodial and janitorial service.</i> Applies to the manpower, supplies, and equipment provided by the installation engineer or public works department, or by contract.	Authorized	Authorized	Not Authorized	Authorized when APFs are not available or sufficient
h. <i>Other services.</i> Relates to those services of a protective or sanitary nature normally supplied as a command function to all installation employees and organizations. Such services include, but are not limited to, fire protection, including acquisition and installation of extinguishers and sprinkler and alarm systems; security protection, including physical and security of buildings (for example, alarm systems and security bars) and personnel background investigations in accordance with AR 380-67; protection of funds; pest control; sewage disposal; environmental compliance and remediation; trash and garbage removal; snow removal;	Authorized for all costs associated with protecting the health and safety of participants and employees and with protecting NAFI resources	Authorized for all costs associated with protecting the health and safety of participants and employees and with protecting NAFI resources	Authorized for all costs associated with protecting the health and safety of participants and employees and with protecting NAFI resources ¹²	Not authorized for Military MWR programs (Group I). Authorized for other Program Groups (chap 3) only when APFs are not available or sufficient

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
safety; medical, veterinary, and sanitary inspections; and rescue operations. Veterinary care includes the cost of drugs, biologicals, and medical supplies administered by veterinary health services personnel to Government owned animals used by MWR programs (see AR 40-905). NAFs are authorized only for the cost of drugs used in providing veterinary care, with reimbursement per FAR procedures.				
i. <i>Minor construction and modernization.</i> See definitions in the glossary. See appendix E for facilities listing.	Authorized except PCS lodging. PCS lodging authorized under footnotes 13 and 14	Authorized for Child Development and OCONUS Youth Services. Other facilities authorized per footnotes 13 and 14	Not authorized unless permitted by footnotes 13 and 14 and appendix E	Authorized for PCS lodging, category B facilities (except Child Development and OCONUS Youth Services), and category C Not authorized per footnotes 13 and 14 and appendix E
j. <i>Sustainment and restoration.</i> See definitions in glossary.	Authorized	Authorized	Authorized except for golf courses per footnote 9	Authorized when APFs are not available of sufficient
k. <i>Routine grounds maintenance.</i> Includes work required to maintain surrounding building grounds (common grounds, lawn shrubbery, flowers, landscaping, picnic and park areas (on installation or off installation recreation sites)).	Authorized	Authorized	Authorized except for golf courses per footnote 9	Authorized when APFs are not available or sufficient
l. <i>Day-to-day periodic or scheduled work.</i> Includes work to keep facilities in operational condition, such as interior maintenance and repair of bowling lanes; pin setting equipment; floor covering (carpet, hardwood, decorative tile); wall coverings; decorative light fixtures to include chandeliers; club bars, lounges, snack bars, kitchens (including grease traps, range hoods, and ducts); golf clubhouse locker rooms, riding stables and fencing; and marine docks, dredging, and repair of bulkheads. Also applies to equipment maintenance that is a direct function of the program (such as repair of stoves, cash registers, point of sale systems, dishwashers, liquor systems and walk-in coolers). NOTE: BRAC or closing installations (CONUS & OCONUS) APF rules do not apply.	Authorized	Authorized	Not Authorized	Authorized
14. Petroleum Oil, and Lubricants (POL).				
a. <i>Aircraft POL.</i> Applies to Aircraft POL (including fuel additives) consumed by aircraft operated in conjunction with an MWR program. Does not include the cost of travel of personnel or for transportation of things (see paras 8 and 10, above). MWR programs can purchase POL from Government sources in accordance with AR 710-2.	Not authorized	Not authorized	Not authorized	Authorized for MWR flying activities only
b. <i>Ship POL.</i> Applies to POL consumed by ships and other vessels operated in conjunction with military	Authorized	Authorized	Not Authorized	Authorized

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C1, 2, 3, 4	
MWR programs. Does not include cost for travel of personnel or transportation of things (see paras 8 and 10, above). MWR programs can purchase POL from Government sources in accordance with AR 710-2.				
15. <i>Supplies</i> . Applies to expendable supply items that are consumed or lose their identity when used, or whose low value does not require the same accountability required for equipment. Included in this group are clothing, tentage, organizational tools, administrative and housekeeping supplies (other than in para. 13g, above), petroleum fuels, lubricants, preservatives, coolants, and oil derivatives (other than aircraft and ship POL), TV tubes, baseballs, food, equipment under \$1,000, and items available in self-service supply outlets.	Authorized except for expendables related to the sale of merchandise or services	Authorized except for expendables related to the sale of merchandise or services	Authorized for supplies required for ECECS	Authorized
16. <i>Equipment</i> . Includes the acquisition cost of any items of equipment, furniture, or furnishing that does not meet the criteria of an investment cost as defined in DOD 7000.14-R, Volume 2A.	Authorized except for equipment related to sale of merchandise or services unless permitted by footnote 15	Authorized except for equipment related to sale of merchandise or services unless permitted by footnote 15	Authorized for equipment required for ECECS and surplus/excess Government equipment and per footnote 15	Authorized
17. <i>Other Operating Expenses</i> . Includes the cost of types of resources not otherwise provided for, for example, investments and loans, grants, subsidies and contributions, insurance claims and indemnities, interest and dividends, and payments instead of taxes, if such resources are included in operations appropriations. APFs are authorized in categories A, B, and C for all costs incurred incident to the performance of functions related to ECECS or as specifically authorized by statute or DOD publication.	Authorized	Authorized	Authorized	Authorized
18. <i>Non-Operating Expenses</i> . Relates to the following services or expenses provided to a NAFI.				
a. <i>Architectural and engineering services</i> . Applies to professional services that include the necessary consultations, preparation of preliminary studies, analyses, cost estimates, working drawings, specifications, and interior design and decoration, and to the inspection and supervision services required for the construction, alteration, or restoration of real property. APF authorized in categories A, B, and C for APF and NAF construction when no additional manpower authorizations are required.	Authorized	Authorized	Authorized	Authorized for NAF construction except for inspection and supervision services required for Government acceptance of the facility
b. <i>Major construction and modernization</i> . See definitions in the glossary. See appendix E for facilities listing.	Authorized except PCS lodging. PCS lodging authorized under footnotes 13 and 14	Authorized for Child Development and Youth Centers OCONUS. Other facilities	Not authorized unless permitted by footnotes 13 and 14 or appendix E	Authorized for PCS lodging, category B facilities (except CDS and OCONUS YS activities) and category C facilities.

**Table D-1
Funding Authorizations—Continued**

Elements of Resources	APF			NAF
	A	B	C ^{1, 2, 3, 4}	
		authorized per footnotes 13 and 14		Not authorized per footnotes 13 and 14 and appendix E
c. <i>Purchase of real property.</i> Relates to the acquisition cost of land, buildings, and other fixed improvements. APFs are authorized for the purchase of real property for categories A, B, and C, only to the extent approved by Congress.	Authorized	Authorized	Authorized	Not authorized except for the purchase of commercially-owned buildings located on Government property
d. <i>Investment equipment.</i> Relates to the acquisition and use of equipment that meets the criteria of investment items as defined in Volume 2A of DOD 7000.14-R. APFs authorized in categories A, B, and C except for equipment related to the sale of merchandise or services unless permitted by footnote 15.	Authorized	Authorized	Authorized	Authorized
e. <i>Common support.</i> Consolidated functions supporting more than one MWR program, but not solely for category C MWR programs (see chapter 5).	Authorized	Authorized	Authorized	Not Authorized
19. Merchandise, Service, and Equipment for Resale or Rental. Pertains to merchandise, services, and equipment procured by a NAF/entity for resale or rent to authorized persons, or related to the sale of merchandise or services. This does not preclude an APF employee from selling NAF procured MWR resale merchandise when such merchandise is limited, such as snacks, soft drinks, fruit juice in a fitness facility, or a situation in a category B MWR program where both or either a NAF and/or APF employee rents both APF and NAF equipment (see chap 12).	Not authorized unless permitted by footnote 15	Not authorized unless permitted by footnote 15	Not authorized unless permitted by footnote 15 or 16	Authorized
20. Procurement of Equipment Issued Through Equipment Checkout Centers. Equipment for self-directed and directed participation in MWR programs. See chapter 8 for detailed policy.	Authorized	Authorized	Not Authorized	Authorized
21. Awards of Trophies and Similar Items.				
a. Costs of trophies, plaques, and similar items that recognize the accomplishments of Soldiers in athletic and intramural competitions (see chap 5 and AR 600-8-22).	Authorized	Authorized	Not Authorized	Authorized
b. Costs of plaques, trophies, and other appropriate items acknowledging participation and/or competition in MWR contests, youth sports programs, and other MWR program competitions accomplished by authorized MWR patrons.	Authorized	Authorized	Not Authorized	Authorized

Notes:

¹ Military MWR and AAFES category C programs at remote and isolated locations (table 5-2, this regulation) are authorized funding under category B rules except golf course grounds maintenance. Category C programs at installations identified for closure under BRAC may receive APF support authorized for category B programs. APFs may finance costs that are a direct result of an approved BRAC action (see para 5-5a, this regulation). Military category C programs, including exchanges and supplemental mission NAFs, at DOD-directed closing installations overseas may receive APF support authorized for category B programs (see para 5-5b, this regulation).

² On an installation designated under force protection condition Charlie or Delta by the Combatant Commander, Secretariat, or equivalent DOD civilian, Military MWR category C programs, excluding golf courses, golf course structures, cart storage buildings, maintenance sheds, and pro shops, are authorized APF support for civilian personnel with installation management and supervisory functions (excluding personnel directly and primarily involved in resale), utilities and rents, and custodial and janitorial services (see para 5-6, this regulation).

³ The AFRC in Europe (Edelweiss Lodge and Resort) is only authorized utilities, sustainment, restoration, and modernization of real property and transportation of products made in the United States in accordance with 10 USC 2491a.

⁴ AFRC lodging, food and beverage operations, and other resale programs are category C military MWR programs. Categories A and B individual programs and services, which are located in AFRC facilities, may receive APF support equal to their A and B categorization.

⁵ Active duty military personnel performing ECECS are authorized in sufficient numbers for AAFES programs to provide a trained cadre to meet wartime and deployment requirements and to perform managerial functions.

⁶ Enlisted personnel may be employed during non-duty hours by NAFIs as part-time NAF-paid employees.

⁷ Authorized for AAFES programs for funding of civilian personnel in sufficient number to provide a trained cadre to perform ECECS and managerial functions to meet exchange wartime deployment requirements in support of contingency, humanitarian, and peacekeeping operations. Permanent assignment utilization and the assignment of additional or collateral duties in lieu of military positions are authorized in accordance with this table (para 1) and footnote 5, above. Where NAF civilian positions are utilized, APF support is authorized for NAF expenditures incurred for compensation and benefits, travel of personnel, transportation of household goods, and education and training.

⁸ APF will be used to cover the expenses of transporting AAFES supplies and products to destinations outside CONUS in accordance with 10 USC 2643 and DODD 4500.9E.

⁹ Not authorized for golf courses or golf course structures other than golf club houses inside the United States except those designated by the Secretary of Defense as a remote and isolated location in accordance with 10 USC 2491a. Not authorized for cart storage buildings, maintenance sheds, and pro shops inside the United States even if part of golf club house.

¹⁰ Rates charged will not include incremental or prorated share of overhaul, maintenance, and repair to utility systems or capital investments in the installation's utility infrastructure systems, unless otherwise specified in an MOA, or ISSAs. See AR 420-41 pertaining to sales agreements and DPW reimbursable support.

¹¹ Authorized for AAFES when existing APF contracts may be used to purchase the items or services.

¹² Trash and garbage removal services are not authorized for AAFES activities in CONUS.

¹³ APF must be used for all community facility construction related to the establishment, activation, or expansion of a military installation or relocation of facilities for the convenience of the Government; replacement of facilities denied by country-to-country agreements; restoration of facilities and improvements destroyed by acts of God, fire, or terrorism; antiterrorism/force protection measures required under DODI O-2000.16; and to correct life safety and Americans with Disabilities Act (42 USC 12142) and force protection deficiencies. In the case of installation expansion, a major increase in authorized and assigned personnel strength over a short period of time is necessary before APF construction can be programmed. Such expansion must be the result of a mission change or influx of new units or systems. For example, a 25 percent increase in a two-year time span satisfies these criteria. In contrast, personnel increases resulting from an evolutionary expansion occurring over several years do not satisfy these criteria. NAFs will fund only those NAFI modernization/construction (major and minor) projects when criteria for APF funding as indicated in appendix E is not satisfied.

¹⁴ APFs will be used for site development costs, archeological and ammunition clearances, environmental assessment and remediation, water purification, demolition, excessive utility connections, and road services.

¹⁵ Authorized for losses caused by acts of God; losses during wartime deployments and in support of contingency, humanitarian, and peacekeeping operations; and for equipment required to be in compliance with the Americans with Disabilities Act (42 USC 12142).

¹⁶ APFs are authorized for military clothing and other APF funded items sold in AAFES on a cost-reimbursable basis.

Appendix E

Construction Funding for Nonappropriated Fund Instrumentalities Facilities

E-1. Source of funding

This appendix prescribes the funding source for facilities modernization and construction (major and minor) for all NAFI program groups (see chap 3 for program groups).

E-2. Appropriated funds

- a.* APFs must be used to fund facilities modernization and construction (major and minor) for all --
 - (1) Program group I category A facilities;
 - (2) Program group I category B child development centers and youth centers, youth courts, and youth playing fields located outside the continental United States;
 - (3) Program group II AAFES facilities.
 - (4) Program group IV TDY lodging facilities.
- b.* All NAFI program groups must use APFs to fund facility construction (major and minor) required to establish, activate, or expand a military installation, to include BRAC and global re-stationing requirements; relocation of facilities denied by country-to-country agreements; and restoration of facilities and improvements destroyed by acts of God, fire, or terrorism. Expansion must be the result of a mission change or influx of new units or systems and result in a 25 percent increase in authorized and assigned personnel strength within a two-year time span. Appropriations are the authorized funding source for construction (major and minor) and modernization for all NAFI program groups to correct life-safety deficiencies. Nonappropriated funds will fund only those NAFI modernization and construction (major and minor) projects when criteria for APFs as indicated above are not satisfied.
- c.* Appropriated funds for minor construction and modernization will be used for site development costs, archeological and ammunition clearances, environmental assessment and remediation, water purification, demolition, excessive utility connections, and road services.

E-3. Exceptions to appropriated funding

- a.* Nonappropriated funds will not be used in lieu of APFs, or vice-versa, without an approved exception. Unique situations or exigencies that need immediate or more specific attention may require an exception. The approval for all such exceptions is the Under Secretary of Defense (Personnel and Readiness) and the Under Secretary of Defense (Comptroller) (USD(C)). All such exceptions are viewed on a case-by-case basis. Requests for use of NAFs in lieu of authorized APFs must satisfy all of the following criteria:
 - (1) The project was included in the MILCON (major and minor construction) or APF modernization budget submission to USD(C);
 - (2) Project was not included in the President's Budget submission to the Congress or was not approved by the Congress;
 - (3) Failure to build the facility will seriously impact the quality of life of military personnel and their Families;
 - (4) Certification that the project is of higher priority than all other non-funded NAF construction (major and minor) and modernization requirements; and
 - (5) HQDA (ACSIM) endorses the use of NAF.
- b.* The Secretary of the Army may approve the use of NAF outside the continental United States for youth centers, youth courts, and youth playing fields, when APF are certified as unavailable.
- c.* The Secretary of the Army or designee may approve the use of NAF for a TDY facility in support of TDY travel when APF are certified as unavailable, recognizing that the waiver of the fund source will create higher NAF expenses and possible higher lodging charges.
- d.* Requests for exceptions to funding will be submitted to FMWRC (IMWR-CO).

E-4. Ancillary support facilities for housing units

Under 10 USC 2881, any project for the acquisition or construction of military family housing units or military unaccompanied housing units may include the acquisition or construction of community-type ancillary supporting facilities for the housing units concerned, provided such facilities are not in direct competition with the Defense Commissary Agency or any NAFI.

E-5. Construction funding

Construction funding for all groups of NAFIs is outlined in table E-1 by category and facility.

Table E-1**Construction funding authorizations**

Program Group, Category, and Facility Type	APF/MILCON	NAF
Program Group I Military MWR		
Category A (see paras E-2 and E-3)		
Administrative Office/Supply Centers	X	
Aquatic Training Facilities/Bathhouse for military training, physical fitness, combat training, and/or therapy	X	
Community Activity Centers	X	X ¹
Auditoriums/Multipurpose Theaters	X	
Gymnasiums/Fieldhouses/Physical Activities	X	
Libraries	X	
Parks and Picnic Areas	X	
Playing Courts and Fields (associated with physical conditioning)	X	
Recreation Centers/Day Rooms/Multipurpose Recreational Facilities	X	
Category B		
Arts and Crafts/Skill Development Centers		X
Automotive Skill Development Centers		X
Bowling Centers (12 lanes or less)		X
Campgrounds (less than 100 spaces)		X
Car Wash Facility (self-help)		X
Child Development Centers (see para E-2, above)	X	
Entertainment Centers (music and theater)		X
Marina/Boathouses (without resale or private boat berthing)		X
Outdoor Recreation Theaters/Pavilions		X
Playing Courts and Fields		X
Recreation Equipment Checkout Centers		X
Information, Ticketing, and Registration Facilities		X
Riding Stables (Government-owned animals/equipment)		X
Recreation Swimming Pools/Bathhouses (standalone)		X
Youth Services Centers/Courts/Playing Fields CONUS		X
Youth Services Centers/Courts/Playing Fields OCONUS (see paras E-2 and E-3, above)	X	
Category C		
Aquatic centers (commercial grade water theme parks)		X
Army-operated Armed Forces Recreation Centers (accommodations/dining and resale facilities)		X
Amusement/Recreation Machine Locations		X
Bookstores (academic/recreational)		X
Bowling Centers (more than 12 lanes)		X
Campgrounds/Travel Camps (100 or more spaces)		X
Car Wash Facilities (other than self-help)		X
Equipment Rental/Sales Centers		X

**Table E-1
Construction funding authorizations—Continued**

Program Group, Category, and Facility Type	APF/MILCON	NAF
Flying Activity Facilities		X
Food, Beverage, Entertainment, and Theme Facilities		X
Golf Courses/Facilities		X
Leisure Travel Facilities		X
Marinas/Boathouses (with retail sales and/or private boat berthing)		X
Military Club Facilities (Community, Consolidated, Enlisted, Officer)		X
Motorcycle and Moped Tracks		X
Outdoor Theaters		X
Recreation Lodging Facilities (MWR cabin, cottage, lodge)		X
Resale Outlets (also includes facilities for which AAFES has primacy but has permitted MWR to operate per resale policy in chapter 12)		X
Rod and Gun Facilities		X
Riding Stables (with boarding of private mounts)		X
Shooting Sports Centers		X
Skating Rinks (Ice or Roller)		X
Snack Bars/Beverage Stands		X
Sport Parachuting Facilities		X
Program Group II Armed Services Exchanges		
Exchange Logistical, Administrative, Storage and Maintenance Facilities (see paras E-2 and E-3, above)	X ²	X ²
Exchange facilities required in support of a military mission or wartime deployments, contingency, humanitarian, and peacekeeping operations (see paras E-2 and E-3, above)	X	
Exchange Facilities required in areas of military conflict or as integral parts of air terminal, hospital, housing, or other MILCON projects (see paras E-2 and E-3, above)	X	
Exchange-operated laundry and dry cleaning plants, bakeries, dairies, or similar facilities in support of a military mission (see paras E-2 and E-3, above)	X	
All other Exchange Facilities		X
Program Group III Civilian MWR		
Category C		
All Facilities		X
Program Group IV Lodging Program		
Category A		
TDY Lodging Facilities (in support of official TDY travel) (see paras E-2 and E-3, above)	X	
PCS Lodging Facilities (in support of official PCS travel)		X
Program Group V Supplemental Mission Funds		
Category B		
Stars and Stripes Facilities		X

Table E-1
Construction funding authorizations—Continued

Program Group, Category, and Facility Type	APF/MILCON	NAF
Category C		
All Facilities		X
Program Group VI Special Purpose Central Funds		
Category C		
All Facilities		X

Notes:

¹ If a CAC contains programs that are authorized NAF for construction, NAFs may be used to fund construction of the CAC.

² APFs must be used outside the United States.

Appendix F

Standard Nonappropriated Fund Number

F–1. Requirement

A 12-digit SNN is assigned to each Army NAFI and garrison MWR operating entity and is used for administrative purposes. DA assigns the first three digits. The remaining digits are assigned by the garrison to reflect the management and financial structure of the NAFI/entity. The entire 12-digit field is not required for most purposes. Accounting transactions are coded to the general ledger account code level. Insurance and employee benefits programs require only the first three digits to identify transactions. Insurance claims are coded to the program code. All payroll and personnel action transactions are coded to the department level.

F–2. Explanation

a. The first and second characters identify the garrison or other location and the third character identifies the type of fund/entity. These SNNs are found at the MWR website, www.armymwr.com, under Financial Management.

b. The fourth and fifth characters identify the program. These codes are contained in FMWRC MWR and lodging financial management guidance (annual budget instructions) and are posted on the MWR website.

c. The sixth and seventh characters are location codes assigned locally.

d. The eighth and ninth characters identify the department code. These codes are contained in the annual budget instructions issued by FMWRC and posted on the MWR website.

e. The tenth, eleventh, and twelfth characters identify the general ledger account code, which is governed by DFAS-IN 37-1 Regulation, Chapter 32. The general ledger account code is also contained in the annual budget instructions issued by FMWRC, which are posted on the MWR website.

F–3. Assignment

a. The basic three-character code (garrison and fund/entity) is used to identify each NAFI/entity worldwide and will be assigned only by FMWRC (IMWR–PO). Requests to establish NAFIs/entities are submitted to Commander, Family and Morale, Welfare and Recreation Command (IMWR–PO), 4700 King Street, Alexandria, VA 22302–4419.

b. Program codes and department codes are administered by HQDA. The applicability of use of existing program and department codes is determined at the local level based on published FMWRC guidance. Requests for additional program and department codes will be addressed to Commander, Family and Morale, Welfare and Recreation Command (IMWR–FM–C), 4700 King Street, Alexandria, VA 22302–4406.

Appendix G

Cash Inventory and Retail Sales Accountability (Controls and Procedures)

G-1. Cash controls

a. Cash control is based on immediate recording of cash received at the point of sale, depositing cash in banks, and controlling change and petty cash funds to preclude undetected loss or theft. Accountable forms such as sales slips, guest checks, vouchers, and receipts will be part of the control system administered by the CAO, FMD, services division or equivalent, based on garrison needs. All such forms will be prenumbered. Control numbers are not assigned by using activities. The first and last numbers of each series of forms used are reported to the CAO or other administrator at the end of each month. Used accountable forms will be received by the administrator before the monthly accounting close-out.

b. Cash receipts will be recorded on prenumbered receipt vouchers when cash registers are not available or operational. Receipt vouchers will also be used to record cash received from miscellaneous sources. DA Form 1992 (Nonappropriated Fund Receipt Voucher) is used for this purpose and controlled and accounted for the same as change funds. Procedures for using receipt vouchers are explained in DFAS-IN 37-1 Regulation, Chapter 32.

c. Cash controls will include a clear separation of duties between those persons preparing deposits, cash receipts journal, disbursements journal, bank reconciliations, and persons with signatory powers.

G-2. Cash registers

a. The use of mechanical, electrical, or electronic cash registers that are capable of permanently recording the amount of each sale is the method preferred for immediate recording of cash receipts. Receipts will be recorded either by continuous paper tape or an internal memory that permits storage and recall of receipt data.

b. Amount of sales will be clearly visible to each customer.

c. Prenumbered cash control documents will support register receipt data to the maximum practical extent. Specifically—

(1) Food and beverage customers will receive guest checks.

(2) Other customers will receive a sales receipt, guest check, or register tape.

d. Cash register change fund controls are listed below.

(1) Register operator will sign for operating change funds on DA Form 4082 (Daily Cashier's Record).

(2) Prenumbered cash control documents will be issued to register operators at the same time as change funds, using the applicable portion of DA Form 4082.

(3) As receipt for cash received, signed DA Forms 4082 will be placed in a safe or where remaining change funds are kept.

e. Operation controls are listed below.

(1) Only one person will be assigned to each cash register drawer, except for head cashiers in the performance of their duties. If cash registers have more than one drawer, there will be separate access keys for each operator.

(2) Overrings (ringing up more than the transaction amount) or underrings (ringing up less than the transaction amount) are verified and voided on cash register tapes by the operator and initialed by the supervisor. To correct an error, the correct amount will be subtracted from sales, explained on DA Form 4082, and forwarded with voided tape to the CAO. Locally developed, over-/underring slips with signature of affected customers will be required for each correction. Adjustment by overcharging or undercharging a subsequent sale is prohibited.

(3) Cash register drawers will be closed after each transaction.

(4) At the close of business, cash registers will be emptied of cash, drawers are left open, and register controls are locked.

f. Only the manager or a designated representative may close out registers. Procedures will be as follows:

(1) Subtotal the register. Subtract the previous reading from the closing reading to determine total daily sales. Clear register totals only at the end of the month.

(2) On the register tape, identify the register, date, and person taking the reading.

(3) Attach tape to DAR.

g. Individual cashiers account for change funds, prenumbered cash control documents, and cash receipts, as stated below.

(1) Cashiers will be relieved only after completing a cash count. Register sales and pre-numbered cash control documents will be reconciled with cash collected.

(2) Unused prenumbered cash control documents will be recorded on DA Form 4082.

(3) Used, prenumbered cash control documents will be attached to DA Form 4082 as supporting documents.

(4) Individuals accepting cash will verify and document the amount on DA Form 4082 in the presence of the cashier being relieved.

h. Cash accountability is achieved as listed below.

(1) Cashiers will not keep overages or make up shortages reported on DA Form 4082, unless held pecuniary liable as a result of an investigation conducted in accordance with this regulation.

(2) Managers or their representatives will make unannounced counts of petty cash and change funds at least quarterly. Unannounced counts will not preclude making announced counts, each of which is documented to show items listed below.

(a) Date and time of the count.

(b) Total amount of cash counted, by denomination.

(c) Identity of the cash register or change fund.

(d) Names of accountable persons and persons making the count.

i. Activities using approved point-of-sale equipment and software will use the provided system to accomplish the controls listed in paragraphs G-2a through *h*.

G-3. Safekeeping of cash and bank deposit procedures

a. Cash will be deposited at the local bank unless cash on hand totals less than \$500 or 7 days have passed since the last deposit, regardless of amount. Deposits will be made on the last business day of the month regardless of the amount.

b. Daily cash receipts will not be added to or commingled with change or check-cashing funds except to exchange currency for maintaining a desired mix of denominations. Additional amounts will be added to cash funds only by drawing a check on the central bank and cashing it at the local bank.

c. Cash deposits of \$5,000 or more must be transported to the bank with an armed escort, military police, police, armored car service, or licensed armed escort service. Daily cash receipts will be deposited in the local bank as follows:

(1) Deposits will be made as soon as possible after the close of the business day.

(2) If the time of deposit coincides with banking hours, the deposit will be made over the counter; deposits before/after banking hours will be made by night depository, where available. (Night deposit service will be included, where possible, in all local banking contracts.) If no night depository is available, each deposit will be held in a locked safe and deposited at the start of the next business day. Rules for using safes and security containers to hold cash include—

(a) Fire-resistant safes, equipped with a three-tumbler combination lock (or digital touch pad locking system, when approved by security personnel). File cabinets specifically designed as security containers that are fire resistant and have the same type of lock are acceptable. Regardless of the type of container, it will be chained or otherwise secured to the building and checked before the building is closed to ensure it is locked. Open safes will never be left unattended.

(b) The Director, FMWR will establish written guidelines that limit knowledge of combinations to those who need to know.

(c) Combinations will be changed at least annually or when—

1. It is suspected the combination has been compromised.

2. An individual with knowledge of the combination no longer has a need-to-know.

3. An individual with knowledge of the combination is no longer an employee of the activity.

(d) Each combination change will be recorded on SF 700 (Security Container Information). The first page is affixed to the inside of the lock drawer of the container. The second and third pages are placed in a sealed envelope and deposited with the installation military police or security officer.

d. Change funds may be maintained for daily operations such as check cashing, foreign currency exchange, and cashier banks. Change funds, other cash funds, and negotiable securities in excess of \$100 will be kept in a locked safe.

e. A stringent key control program will be established for all MWR programs. Employees will not take keys to locked filing cabinets or operational keys home with them.

f. Cash funds of \$100 or less may be kept in a lockable file cabinet. The following additional controls will be employed:

(1) Keys will not be kept in unlocked containers, such as desks, and are not given to unauthorized personnel.

(2) Containers will be checked to ensure they are locked before the building is closed.

(3) Locks will be changed whenever personnel having had keys are no longer authorized access.

g. Bank deposits that exceed \$100,000 in any single account will be reported to FMWRC as required by chapter 16, this regulation.

h. A DAR will be prepared for each business day, whether or not a deposit is made. Combined or delayed deposits are annotated on appropriate daily reports when deposits are made.

i. Amounts of currency, coins, and checks in each deposit will be entered separately on the deposit ticket. The amounts of checks in each deposit will be reconciled, with check totals supported with an adding machine tape of the check calculation attached to deposit tickets. The total amount of deposit shown on the deposit ticket will agree with the DAR.

j. Deposits, cash, or other valuable are given to only properly bonded couriers or messengers as specified in this regulation.

k. Bond requirements for MWR positions are addressed in paragraph 19–64 of this regulation.

G–4. Petty cash funds

Petty cash funds will pay for items, services, or incidental expenses for which payment by check is not feasible. As an alternative to normal procurement procedures, commanders may authorize purchases up to \$500 using petty cash. Such purchases will not be used to circumvent normal procurement procedures; they are intended to reduce administrative costs of small or nonrepetitive purchases. Petty cash controls are listed below (additional policy is in DFAS-IN 37-1 Regulation, Chapter 32).

a. Petty cash funds and the amount designated for each will be established in writing by the Director, FMWR.

b. Checks issued to replenish petty cash funds will identify the responsible MWR program.

c. Each transaction will be documented with a pre-numbered DA Form 1994 (Petty Cash Voucher) signed by the designated approval authority. A separate voucher will be used for each disbursement. Supporting data, such as invoices or freight bills, supplementing the voucher will be attached to the voucher. Supplements are not used instead of vouchers. DA Form 1993 (Nonappropriated Fund Petty Cash Summary Voucher) will be used to summarize the DA Forms 1994 and serve as a cover voucher when seeking reimbursement from the CAO. This is an envelope form and applicable DA Forms 1994 and supporting documents will be enclosed in the DA Form 1993.

d. Paid vouchers and supporting documents will be clearly stamped “paid,” dated, and initialed by the person making the disbursement.

e. All voucher numbers will be accounted for when petty cash is replenished.

G–5. Checks

a. Commanders will specify which MWR programs may offer check cashing service. Such service will be offered only to authorized MWR patrons and to replenish petty cash or change funds.

b. Payroll checks will not be cashed.

c. The Director, FMWR will set the level of the check cashing fund based on local requirements.

d. First-party and, at the local commander’s discretion, second-party personal checks will be accepted to pay for goods or services and for payment to charge or credit accounts. All checks will be payable to (or, for second-party checks, endorsed to) the appropriate MWR program. As a convenience to patrons, commanders may approve of MWR programs accepting first and second-party personal checks in excess of the amount of purchase with the balance returned in cash. Commanders will determine the maximum amount of cash over purchase, considering such factors as cash flow, bad check history, product prices, cash available, and security.

e. Limitations on the number and dollar amount of personal checks will be determined subject to the availability of cash and local demand. A limit of \$100 per day per patron is considered reasonable.

f. If SSNs are retained in an MWR database controlled by the MWR program or garrison MWR entity, the SSN need not be written on checks. At each check cashing point, the following statement, or similar statement is displayed prominently: “NOTICE TO CHECK CASHIERS: DISCLOSURE OF YOUR SOCIAL SECURITY NUMBER AND OTHER PERSONAL INFORMATION IS STRICTLY VOLUNTARY. HOWEVER, YOUR SSN AND PERSONAL INFORMATION (IF NOT RETAINED IN AN MWR DATABASE) MUST BE PROVIDED IF YOU WANT TO CASH YOUR CHECK HERE. ALL INFORMATION FURNISHED, INCLUDING THE SSN, IS USED ONLY TO IDENTIFY WRITERS OF UNPAID RETURNED CHECKS.”

g. Check cashing procedures are as follows:

(1) The employee cashing the check will initial it.

(2) Positive identification will be made to ensure eligibility of the person cashing the check.

(3) Checks cashed by clubs for members will be annotated with the club card number. Checks cashed by other MWR programs and NAFIs will include the patron’s name, Social Security number, and home address. If the SSN is retained in a database controlled by the MWR program manager or NAFI, it need not be written on the check. Active duty military and DOD employees will include their place of employment.

(4) Checks payable will be endorsed to the appropriate NAFI/entity.

(5) Postdated checks will not be cashed.

(6) Persons disbursing cash will not cash their own checks.

(7) Upon presentation, each check will be endorsed on the reverse side. A rubber stamp, imprinted with "FOR DEPOSIT ONLY TO THE ACCOUNT OF (name of fund); ACCOUNT NO. (bank account number of fund)" is used.

(8) Checks are not retained in the check cashing change fund beyond the next deposit after receipt. Checks returned as nonnegotiable are recorded in the accounts receivable returned checks account until collection is made or write off approved.

(9) Checks will not be cashed for anyone who owes for dishonored checks or for anyone whose DOD ID card has been overstamped, reflecting the person's loss of check cashing privileges.

h. See the Financial Management section on website, www.armymwr.army.mil, for debt collection procedures.

i. A returned check charge will be assessed to recover expenses for administrative and actual expenses associated with collecting dishonored checks.

(1) Charges will not be made if the patron presents a letter from a Government finance office or financial institution stating that the check return was because of a Government or institution error. Charges will be refunded if they were paid prior to notification of a Government or institution error.

(2) The returned check charge will be the actual administrative cost and other expenses of collection (plus actual costs to the NAFI/entity, such as bank fees for the returned check) or an amount comparable to that normally charged in the local community. In the absence of a determination of administrative cost or a survey of the local community, a minimum charge of \$15.00 will be applied.

(3) Notice of return check charges will be displayed near check-cashing and payment facilities.

G-6. Inventory and warehouse controls

a. Receipt of overages, shortages, and damaged merchandise.

(1) Shipments received in damaged condition will be held at the receiving facility. Shipments with concealed damages will be held at the program storage facility. Disposition instructions will be provided by the contracting officer, program manager, or other competent authority. Claims will be initiated by the contracting officer or procurement source for all damaged shipments before invoices are paid. Partial payments for the undamaged portions of shipments will be made when directed by the contracting officer.

(2) Receipt of damaged items or shipments with overages or shortages will be noted on receiving documents and verified by the program or fund manager/entity administrator. Copies will be sent to the contracting office or procurement source for claims action and to the CAO for adjustment of accounting records.

(3) Concealed damages will be reported to the program or fund manager/entity administrator upon detection. Supporting documentation, outlined below, will be sent to the contracting office or procurement source for claims action and the CAO for adjustment of accounting and inventory records.

(a) Nature and extent of damages.

(b) Circumstance of discovery.

(c) Photographs of damaged items in original shipping container, if appropriate.

(d) Any other reasonable documentation required by the vendor or shipper.

(4) Food and beverage items not prepared for sale that are thought to be spoiled will be inspected by the garrison veterinarian. The veterinary certification will be included with the DAR and sent to the servicing CAO for adjustment of accountability. Spoiled products will be destroyed as prescribed by the program manager.

(5) Alcoholic beverage bottles damaged in shipment or with concealed damages will be processed in accordance with the purchasing agreement. Damaged bottles not eligible for this processing will be saved (at least the band-sealed neck) until a disinterested person appointed by the Director, FMWR witnesses its destruction. The signed witness statement and the inventory list of damaged bottles will be sent to the CAO.

b. Control of storage and issue facilities. Storage and issue operations will be centralized to the maximum practical extent. Depending on the size of the installation and the number and scope of programs, all storage and issue operations may be concentrated in a single warehouse or in separate facilities operated by each separate program. The controls listed below apply.

(1) Central, shared-use facilities will be managed solely by persons designated by the program or fund manager/entity administrator.

(2) Each facility will be locked when not in use.

(3) Items will be issued only on prescribed forms and signed by both the issuer and receiver. Deliveries will be made to the receiving facility unless it is determined by the program or fund manager/entity administrator to be more advantageous for deliveries to be made directly to the using program.

(4) A perpetual inventory of each stocked item will be maintained on DA Form 1991 (Stock Record Card).

(5) On receipt, items will be inspected and reconciled against specifications.

(6) Copies of receiving reports, invoices, and related documents will be sent with the DAR to the CAO so that full advantage may be taken of cash and prompt payment discounts, contract terms verified, and incomplete or damaged shipments identified.

(7) Instances of damaged or incomplete shipments will be investigated promptly.

(8) Items received on credit that are returned to commercial vendors will be accompanied by appropriate documentation and a copy will be forwarded to the CAO for verification against the original invoice and receiving report.

(9) Transfers between programs and departments will be recorded. Records will be forwarded with the DAR to the CAO.

c. Inventory control.

(1) Physical inventories will be performed monthly for merchandise purchased for resale and consumable supplies.

(2) All other NAF property will be inventoried annually and upon change of fund managers/entity administrators or an accountable officer.

(3) Validation of inventories include the following actions:

(a) Internal inventories will be conducted by employees. Inventories will be taken by someone other than the person directly responsible. However, during an inventory, the person directly responsible may locate, but not call, items to expedite the inventory. The Director, FMWR or a designated representative will supervise the conduct of inventories.

(b) Independent inventories will be conducted by disinterested persons, not employed by the MWR program being inventoried.

(4) Each inventory, regardless of frequency or type, will include a visual count of merchandise and comparison of the results to the balances carried on the accounting and property records. Variances not reconciled will be reported to the fund manager/entity administrator or accountable person. Unaccounted for items that are not subsequently recovered will be reported as lost in accordance with chapter 18.

(5) Inventory results will be reported to the fund manager/entity administrator or accountable person and will be sent to the CAO for reconciliation with stock records.

(6) Bar stock will be inventoried.

(7) Bars with automated dispensing systems will be inventoried at the end of each month. The dispensing system will include all supply lines connecting the rack room source to the bar dispenser. Reconciliation will be performed at the end of each month between stock used and quantities dispensed. Variances will be explained in writing.

(8) Bar condiments and garnishes will be charged to cost of goods at the time of issue.

(9) A perpetual inventory will be maintained for sensitive and high-dollar-value items, including food, beer, and wine. Specifically—

(a) A physical inventory will be performed daily.

(b) Inventory documents will be posted daily to reflect opening inventory, transfer in and out, and closing inventory.

(c) Quantities sold will be reconciled with the cashier's scatter sheet, or summary of sales recorded for each cashier.

(d) Variations will be explained in writing. Explanations will be maintained with inventory records until the next audit.

(10) Procedures for conducting physical inventories are provided in DFAS-IN Regulation 37-1, Chapter 32.

G-7. Retail sales accountability

a. Accountability controls. All NAFIs/entities that have resale operations will use accountability controls regardless of volume.

(1) Results of comparing sales records to actual receipts and applying standard accounting tests, based on inventory turnover, will be used to identify significant variances and responsibility for fraud and embezzlement.

(2) Sales accountability tests will be performed monthly in coordination with monthly inventories. Only programs with low daily sales volumes, insufficient to necessitate daily bank deposits, may perform sales accountability tests quarterly.

(3) Sales accountability tests will be performed on a random basis. As a means of minimizing disruption of operations, tests will be conducted concurrently with performance of scheduled inventory counts and sales accountability. Tests will validate procedures in practice and provide for—

(a) Complete and accurate inventories.

(b) Accurate and supported entries on sales accountability statements.

(c) Thorough research, effective resolution, and adequate documentation of discrepancies.

(4) Effective dates of retail price changes will be coordinated with inventory schedules to ensure accuracy of recorded retail values.

(5) Automated procedures will be used to the maximum practical extent to ensure sales accountability data accuracy.

b. Accountability tests.

(1) Accountability tests involve the application of standard accounting calculations to detect variances between expected and actual receipts based on known factors such as inventory turnover and retail costs. For MWR resale operations, accounting tests will be applied to the cost of goods sold and gross sales revenue. Maximum allowable variances will be as indicated for the following resale operations:

(a) Cost of goods sold: food items 2 percent and other items 1 percent.

(b) Expected and actual sales, based on inventory turnover—alcoholic beverage service, 2 percent; food or food and beverage service, 2 percent; all other, 1 percent.

(2) Resale operation accountability tests will be performed when cost of goods sold fluctuates outside reasonable program tolerances. Computations continue until variances are not exceeded for 2 consecutive months.

(3) Expected cost of goods and expected gross sales will be compared to actual results.

(4) If the allowable variance, or a total of \$450, is exceeded, a report will be forwarded through the appropriate Director, FMWR or equivalent division chief to the program manager for explanation and correction.

G-8. Sales accountability for storage space leased by morale, welfare, and recreation programs

MWR programs that provide space for patrons to store their personal property, such as boats, motor homes, and trailers, will require patrons to sign a contract outlining program/user responsibilities, including proof of insurance. The contract will include a specified period (monthly, quarterly, or annually). Payment will be made when the contract is signed and a copy of the payment receipt is attached to the contract. The MWR program will send a contract expiration notice to the patron at least 15 days prior to the expiration date. A master list indicating the total spaces available, the number occupied/vacant, and total amount of money due and collected will be kept current daily and compared with the contract file.

G-9. Customer returns

Merchandise returned by customers for refunds or credit will be processed as follows:

a. Each return will be accompanied by a proof of sale, such as a cash register receipt or sales slip.

b. A local refund document, as a record of the refund or credit, will include—

(1) Name of the person requesting the refund or credit.

(2) Name of the person approving the refund or credit.

(3) Reason for the return.

(4) The price paid by the customer and the actual sale price of the merchandise, if different. Any difference is fully explained.

c. The proof of sale will be attached to each refund document.

d. If the price paid differs from the actual sale price, the customer will be entitled to a refund or credit for the price paid.

e. Accounts receivable will be credited only when cash is received, merchandise is returned for credit, or the account is charged off as not collectible. Customer bills will be verified to accounts receivable balances before being mailed by a person other than the one who prepared the statements. Access to accounts receivable records will be restricted to ensure that persons receiving payments or initiating charges do not have access to the subsidiary record.

G-10. Implementation of the Presidential \$1 Coin Act (Public Law 109-145)

a. The \$1 coin provisions apply to locations where cash is exchanged with customers (cash registers, cashier cages, and so forth) and to all vending machines that accept cash and dispense articles or services. The provisions of this Act were effective by the end of 2007. Not included as vending machines are recreation machines (for example, amusement machines, jukeboxes, pinball machines, electronic game machines, pool tables, shuffle boards); gaming machines which dispense monies; laundry machines (clothes washer, dryer, and soap dispensing machines in lodging facilities); and telephones.

b. MWR programs will accept and dispense the \$1 coin as part of the normal course of business.

c. The \$1 Coin Act requires all locations where cash is exchanged with customers to display signs and notices denoting capability to accept and dispense the \$1 coins. Notices will be affixed to each vending machine.

d. Where there is a contract with AAFES or commercial vendors to provide MWR services, and where such machines are provided by the blind vendors under the Randolph-Sheppard Act, it is the responsibility of AAFES, the commercial vendor, or the blind vendor to modify their machines to meet the requirements of the \$1 Coin Act.

Appendix H

Copyright Clearance Procedures

H-1. Copyright control officer

The garrison entertainment program manager will serve as the copyright control officer for the installation and will initiate all copyright clearance requests, regardless of whether the producing or sponsoring program is the entertainment program, another MWR program, or a non-MWR program, such as a school or chapel. If no entertainment program manager is assigned, the garrison commander or Director, FMWRC will appoint a copyright control officer to carry out copyright clearance functions.

H-2. Forms

Clearances will be requested on DA Form 3238. Requirements for additional performances are cleared rapidly, thereby avoiding the time and more complex efforts involved in cancellation procedures. Requests for additional performances are coordinated by telephone or in writing with FMWRC as soon as the additional requirements become known.

H-3. Clearance procedures

a. As an attachment to DA Form 3238, section 8 clearly identifies production materials on the clearance request. Information specifying the length of time required, the date requested, and whether the materials are rented or purchased will be included. The local duplication, alteration, adaptation, revision, or rearrangement of copyrighted materials is not authorized except at the specific direction of the leasing agent.

b. Requests for copyright clearances and related correspondence will be sent directly to FMWRC.

c. Direct communication between installations and leasing agents, trustees, or copyright owners is not authorized, except at the specific direction of FMWRC.

d. If producing organizations, members of performing or producing groups, or any other installation program are contacted directly by civilian leasing agencies, except for the delivery of production materials, the entertainment program manager will forward the correspondence, with a proposed reply where appropriate, to FMWRC.

e. All correspondence relating to the availability of copyrighted works will be forwarded to FMWRC.

f. Requests for perusal copies may be made directly with the leasing agencies, but all costs associated with the request will be the responsibility of the requesting program. Failure to pay any associated costs may result in denial of copyright clearance and royalty requests. FMWRC will pay for and coordinate any perusal request that is submitted and coordinated through FMWRC.

g. Clearance requests (DA Form 3238 and attachments) will be transmitted by facsimile or electronic mail. Copies of clearance requests will be mailed to FMWRC at the address in paragraph H-8.

H-4. Production materials procedures

a. Upon receipt of production materials, the recipient will conduct a complete inventory, checking against the packing slip and noting any discrepancies. In the event of a discrepancy, copies of the inventory and enclosed invoices for materials or scripts, identifying the scripts by title, will be forwarded immediately to FMWRC.

b. Immediately upon completion of use of all production materials, all copyrights control officers will return materials directly to the leasing agency. The sender will retain mailing or shipping receipts, indicating items returned. The installation will be liable for any additional costs if materials are returned late, damaged, marked, or lost. Installations will send to FMWRC a check payable to the leasing agency for invoice costs of the damaged, late, or lost materials. Disputes are referred to FMWRC for resolution with the leasing agency. Failure to pay damage/late/lost fees may result in suspension of all other copyright clearances affecting the installation.

H-5. Postponement and cancellation procedures

a. If a scheduled performance is postponed, written notification will be provided to FMWRC before the originally scheduled performance date. If postponement exceeds 3 months, the clearance will be canceled and a new clearance request will be submitted for any subsequent production.

b. Installations will provide FMWRC with written notification of cancellations as soon as possible. If some, but not all, of the cleared performances are canceled, cancellation notices will be provided before the final performance report is submitted. When an entire production is canceled, a cancellation notice will be provided immediately (especially in the case of musicals) to avoid unnecessary rental fees. Any production materials will be returned immediately to the leasing agency.

H-6. Payment procedures

a. Within 5 duty days of the final performance of a copyrighted work, the installation will complete the final part of DA Form 3238 verifying completed performances and will forward the form to FMWRC. This constitutes the confirmation of receipt of services/goods and is the basis for authorizing the royalty and fees payment.

b. FMWRC will pay royalties and related fees for works produced by activities of the Army Entertainment Program worldwide. Royalties and related fees for works produced by schools, installation clubs, chapels, and other programs will be paid by the installation or program on the basis of an invoice from FMWRC. The check will be made payable to the leasing agency but will be sent to FMWRC for verification and forwarding.

c. If a leasing agency sends an invoice for royalties and rental fees directly to the installation, it will be forwarded immediately to FMWRC.

H-7. Original works

a. The production of original works of local playwrights, authors, composers, and lyricists by entertainment programs is encouraged. In such instances, the installation will obtain a notarized statement from each contributor to the original work, certifying that he or she holds exclusive rights to the material and authorizes its use under the terms indicated on the copyright clearance request. The full name, address, and telephone number of each contributor will be included in the statement. All statements are attached to DA Form 3238 and forwarded to FMWRC.

b. Members of the entertainment program professional staff, Soldiers, and civilian employees of the Army serving as performers, and directors or technicians may offer a work of their creation to be produced by the Army. Offers may be made at any location, under the guidelines of original works, but no payment will be made in any form from the project.

H-8. Family and Morale, Welfare and Recreation address

Documentation will be sent to Commander, Family and Morale, Welfare and Recreation Command, Army Entertainment Copyrights and Clearance Office, P.O. Box 439, Fort Belvoir, VA 22060.

Appendix I

Tour Directors, Guides, and Escorts

I-1. General

Persons conducting ITR operations will function as representatives of the U.S. Army and not as individuals. Acceptance of gratuities by individuals from those who have or seek business with the NAFI/entity is prohibited. Employees will avoid involvement in activities that are viewed as a conflict of interest (see DOD 5500.07-R).

I-2. Commissions, fees, and other inducements

a. Commissions or fees. Commissions or fees are paid by travel suppliers, hotels, resorts and other enterprises to travel arrangers who make reservations for use of their facilities or services. Such payments must be made directly to the NAFI/entity. Direct payment to or acceptance by an individual employee of payments to which the NAFI/entity would be entitled is illegal.

b. Complimentary familiarization tours. MWR staff personnel are prohibited from receiving, in their individual capacity, any free transportation, accommodations, or other services that relate directly to a familiarization tour. Employee acceptance of invitations extended by individuals or businesses that have or seek business with DOD is not authorized. To become familiar with a particular tour, or attraction, employees must be in a TDY status.

(1) Free or reduced price transportation, accommodations, or meals may be accepted by tour directors, guides, or escorts (either APF or NAF employees) only under the following conditions:

(a) The free or reduced price amenities may be accepted only for products that are available, or are proposed to be made available, through the ITR office.

(b) The free or reduced price amenities offered are routinely available to travel agents in the private sector.

(c) Any free amenities or gifts in excess of nominal value must be reported to the NAFI/entity and shall be subject to disposition through the chain of command.

(d) Authority to travel is in accordance with formal travel orders, which must clearly stipulate that reimbursement is authorized only for actual expenses incurred, subject to limitations stated in the JTR.

(e) Expenses associated with the travel must be paid for using one or more of the following methods: a Government charge card issued to the individual traveler, transportation charged against a Centrally Billed Account, the GSA Smart Pay Purchase Card, or a request for services issued on DA Form 4067.

(f) When the ITR office, or NAFI/entity, receives a complimentary transportation ticket or lodging accommodation based on tickets or room nights sold, the ITR manager is responsible to document acceptance of the gratuitous exchange and to record disposition of the asset on the Daily Activity Report.

(2) Employees may not accept free transportation, accommodations, or other items of value under conditions other than those specified above.

I-3. Gratuitous or volunteer services

a. Persons providing gratuitous or volunteer services (such as tour director, guide, or escort services) will be formally appointed by the garrison Leisure Travel Services Manager or ITR coordinator. Individuals will be briefed and receive training and information appropriate to the program. Minimum training will include orientation on related MWR policies and procedures, first aid, and successful completion of courses that certify proficiency in cardiopulmonary resuscitation and the Heimlich maneuver.

b. Off-duty military or civilian employees may provide gratuitous or volunteer services if leisure tour and travel programs are not part of their normal duties.

c. A written agreement must be executed for each trip between the person providing gratuitous or volunteer services and the MWR program. Benefits provided by the Army as a consequence of the program (such as transportation, food, lodging, and admissions) will be specified in the agreement. Responsibilities assigned the individual, such as spot payment to vendors in accordance with local customs, will be stated in the agreement also.

d. Additional policy on volunteer services and gratuitous personnel services is found in chapters 5 and 13, this regulation, and AR 608-1.

Appendix J

Army Flying Activities

J-1. General

Army flying activities (AFA) may be established as recreational programs that enhance morale by providing recreational flying opportunities on off-duty time, teaching or improving aeronautical skills, and developing an awareness and appreciation of aviation requirements, safety, and techniques.

a. Commanders may authorize use of hangar space, aircraft tie-down facilities, and maintenance facilities provided such use does not interfere with official military flight operations.

b. AFA may be established at any installation with an assigned active Army aviation element, subject to approval by the responsible IMCOM Region and FMWRC. Requests to establish a flying activity will be forwarded through command channels to FMWRC to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-CR), 4700 King Street, Alexandria, VA 22302-2218, and include the following information:

- (1) Size of the initial patron base.
- (2) Growth potential.
- (3) Planned aircraft and equipment acquisitions, to include methods of acquisition.
- (4) Installation facilities available for use.
- (5) Source of funds and proposed expenditures.

c. AFA may be established regionally to support two or more installations in the same general area to maximize participation, minimize cost, and provide for operating efficiencies. Requests to establish regional flying activities will be forwarded by the host installation, through command channels, to FMWRC with the above information.

d. Aircraft assets authorized are generally limited to light, single-engine aircraft. IMCOM Region approval is required before acquiring or operating multiengine aircraft and is based on the ability of the local activity to support and maintain larger, more complex aircraft and the availability of insurance. In any event, the maximum gross weight of flying activity aircraft will not exceed 12,500 pounds.

e. The acquisition or operation of turbine-powered aircraft is not authorized.

f. Ground safety is included within the scope of the safety and accident prevention program. Army regulations and other relevant instructions will also apply to AFA.

J-2. Patrons

Aircraft will be flown by only qualified eligible MWR patrons and flight instructors employed by the AFA. An exception is that prospective buyers may fly aircraft on local flights when accompanied by a flight instructor or AFA member, as determined by the AFA manager.

J-3. Passengers

Aircraft passengers will be limited to the following individuals:

- a.* Active, introductory, and nonpilot patrons.
- b.* Family members of patrons, defined as spouse, children, mother, father, brother, or sister of an AFA patron, and the mother or father of a patron's spouse.
- c.* Persons whose official duties require them to be passengers, such as FAA inspectors, flight instructors, and maintenance personnel hired by the local AFA.
- d.* Bona fide guests of eligible patrons subject to policy established by the commander.

J-4. Aircraft use

a. Use of aircraft will be limited to bona fide recreational flights or official TDY flights. Aircraft will not be used for any of the following purposes:

- (1) Transporting passengers or cargo for a fee.
- (2) Skydiving or sport parachuting activities.
- (3) Towing gliders, without prior IMCOM Region approval.

b. Aircraft and other resources will not be loaned, leased, or rented to individuals, groups, or organizations that are not eligible patrons.

J-5. Federal Aviation Administration certification

All aircraft, pilots, instructors, and mechanics must hold current FAA certification, as specified in the FAR, parts 61 and 91.

J-6. Interactivity flying

Installation AFA may allow patrons of other flying activities to fly aircraft provided each individual—

- a. Presents acceptable proof of patronage in another military installation flying activity.
- b. Holds current FAA certification in the type of aircraft to be flown.
- c. Complies with all rules and regulations of the host activity.
- d. Satisfactorily completes a flight check conducted by a local flight instructor in the type of aircraft to be flown.

J-7. Aircraft equipment and supplies

Aircraft and related supplies and equipment will be acquired either through purchase (AR 215-4), or by donation as described in chapter 13. Accountability and classification of property will comply with DFAS-IN 37-1 Regulation, Chapter 32. Disposition will be in accordance with chapter 17.

J-8. Retail sales

The resale of incidental merchandise such as maps, plotters, flight computers, logbooks, and training materials is authorized. AFA may also operate snack bars. Retail sale of aircraft parts to individuals is not authorized.

J-9. Hold harmless agreement

Use of hold harmless agreements will be in accordance with chapter 13.

J-10. Management

Qualified individuals employed as managers on a full-time, part-time, or gratuitous or volunteer basis will manage installation flight activities carefully and professionally. Managers employed on a full-time or part-time basis will be paid from NAF sources. AR 215-3 will govern employment of off-duty military personnel. Gratuitous services provided by patrons and volunteers will be subject to the provisions of chapters 5 and 13 of this regulation, and AR 608-1.

a. The flight activity manager will generally be a full-time employee who supervises day-to-day operations and has overall responsibility for the following functions:

- (1) Schedules flights on a first-come, first-served basis.
- (2) Maintains flight records, bulletin boards, charts, status boards, and pilot information files (PIFs).
- (3) Maintains pilot qualification and currency record for each user in accordance with parts 61 and 91 of the FAR.
- (4) Supervises AFA employees.
- (5) Promptly reports mishaps, late aircraft, or other safety information to the AFA and installation safety officers.
- (6) Ensures that procedures are established requiring the installation aviation element to notify the AFA of overdue aircraft and other emergencies.
- (7) Ensures that no patron is permitted to pilot any aircraft under AFA control without current FAA flight and medical certificates.
- (8) Establishes procedures to ensure compliance with this regulation, FAR, and other pertinent directives.

b. The operations officer may be a full-time or part-time employee or gratuitous services patron or volunteer and generally will be the most experienced pilot available. The operations officer will perform operational functions as assigned by the AFA manager, to include these functions:

- (1) Providing required flight data to patrons.
- (2) Coordinating all local flight areas, ingress and egress routes, and traffic patterns with installation airfield operations personnel and ensuring publication in AFA directives.
- (3) Maintaining a PIF for each patron, organized as follows:
 - (a) A permanent section, to be reviewed annually, that includes this appendix with IMCOM Region and installation supplements; AFA regulations, operating instructions, and local installation airfield procedures; FAR, parts 61 and 91; and other pertinent safety data.
 - (b) A temporary section, to be reviewed every 3 months and prior to each flight as pilot-in-command, that includes new material or information of a permanent nature.
 - (c) A pertinent data section that includes operations and maintenance manuals, DOD and FAR restrictions and limitations, and performance specifications for assigned aircraft.
- (4) Coordinating operational matters with installation aviation operations and FAA officials, as appropriate.

c. The safety officer may be a full-time or part-time employee or gratuitous services patron or volunteer but must be a military or FAA-licensed pilot. The safety officer will manage the flight safety and accident prevention programs and perform safety functions assigned by the AFA manager, to include—

- (1) Coordinating aviation safety matters with the installation safety officer, installation aviation safety officer, Army Combat Readiness Center (ACRC), and FAA officials, as appropriate.

- (2) Obtaining pertinent ACRC aviation safety publications for use by the AFA.
 - (3) Ensuring that deficiencies detected during safety inspections are recorded and corrected.
 - (4) Maintaining a safety bulletin board.
 - (5) Conducting a continuing accident prevention program in coordination with the installation airfield safety officer and the servicing FAA General Aviation District Office.
 - (6) Conducting safety meetings at least quarterly and publishing resulting minutes within five days.
- d.* The maintenance officer may be a full-time or part-time employee or gratuitous services patron or volunteer. The maintenance officer will supervise the AFA's maintenance program and ensures the airworthiness of aircraft. The maintenance officer will have experience in military or civil aviation maintenance. Possession of a FAA air-frame and power plant mechanic's certificate is desirable and mandatory where assigned functions require an FAA-certified mechanic or inspector. Functions will be assigned by the AFA manager and generally include the following duties:
- (1) Developing and coordinating maintenance policy, subject to approval by the AFA manager. The maintenance policy will include the prohibition that licensed and qualified AFA personnel will not conduct repair and maintenance on non-AFA aircraft while aircraft are located on the AFA facility.
 - (2) Grounding all aircraft that are deemed not airworthy, regardless of whether they are owned, leased, or transient.
 - (3) Coordinating aircraft maintenance matters with installation aviation maintenance and FAA officials, as appropriate.
 - (4) Developing a maintenance program to document and correct discrepancies as soon as possible.
 - (5) Inspecting AFA maintenance facilities.
 - (6) Assuming responsibility for the security of aircraft undergoing maintenance, providing positive means of securing unattended aircraft, and developing procedures to keep aircraft from being flown with uncorrected safety discrepancies.
 - (7) Ensuring that FAA certification is obtained where required.
 - (8) Establishing a quality assurance program for fuel used in AFA aircraft. Fuels supplied by commercial vendors must conform to standards established by the National Fire Protection Association and the American Petroleum Institute.
- e.* The chief flight instructor will supervise and monitor the activities of all flight instructors and will meet the requirements of FAR, part 141, wherever possible. A chief flight instructor may be a full-time or part-time employee or gratuitous services patron or volunteer, or services may be obtained by NAF nonpersonal services contract.
- f.* Flight instructors will conduct flying lessons and related training activities and conduct flight checks as required by FAA or installation regulations. Flight instructors are generally employed part-time or are gratuitous service patrons or volunteers. Services may also be obtained by NAF nonpersonal services contract. AFA managers who are not full-time employees may be employed part-time as flight instructors under terms approved by the local chief, community recreation division. All flight instructors must be FAA certified.

J-11. Aircraft and equipment acquisition

Aircraft will be purchased, leased, or rented based on the needs of the AFA program and patron base, the ability to finance the acquisition, and the ability of patrons and AFA staff to operate and maintain the aircraft safely. Each acquisition will require approval of the commander.

a. Need factors.

- (1) *Patron-to-aircraft ratios.* Ratios will vary depending on whether operations are primarily pilot oriented or training oriented. A patron base that consists primarily of licensed pilots generally lowers the pilot-to-aircraft ratio. An active flight school that trains student pilots generally raises the ratio.
- (2) *Maintenance cost for each flying hour.* The estimated costs of maintenance, inspections, repairs, overhauls, and modifications will be weighed against projected flying-hour revenues.
- (3) *Fixed costs for new and used aircraft.* The effect of higher depreciation and insurance costs and lower maintenance costs for new aircraft will be considered against lower depreciation and insurance costs and higher maintenance costs for used aircraft.
- (4) *Aircraft use.* If flight training is a significant activity, standard aircraft will increase efficiency in scheduling and supervision, and enhance safety. If flight training is not a consideration, the ability of patrons to operate higher performance aircraft safely and economically must be a prime consideration.
- (5) *Maintenance capability.* The AFA must have access to maintenance facilities capable of maintaining the aircraft being considered.
- (6) *Financing.* The AFA must have the financial resources to buy the aircraft and any associated equipment and must be able to afford long- and short-term maintenance costs.

b. Procurement procedures.

- (1) *New aircraft procedures.*
- (a) Coordinate the planned acquisitions, in advance, with NAF contracting, FMWRC.

- (b) Obtain command approval.
- (c) Submit DA Form 4067 with fund citation to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-NC), 4700 King Street, Alexandria, VA 22302-4415.
- (2) *Used aircraft.* For used aircraft, all planned acquisitions will be coordinated through the installation acquisition office, in accordance with local procedures.
- (3) *Equipment procedures.* Equipment procedures will be stated as follows:
 - (a) Requirements will be coordinated through the installation acquisition office. Acquisitions that cannot be completed by the installation acquisition office may be referred to the FMWRC NAF Contracting.
 - (b) Equipment and other items purchased for resale in AFA facilities will be identified as such on procurement or purchase requests. Avionics equipment and other controlled items generally will not be acquired through procurement channels for resale purposes.
- (4) *Leasing or renting aircraft.* For leasing or renting, requirements will be coordinated through the installation acquisition office in accordance with installation policy and procedures.
- (5) *Excess Army aircraft.* Installation AFA may not obtain excess Army aircraft on loan from military sources. However, AFA are authorized to acquire excess Army military aircraft by obtaining prior approval from FMWRC.
 - c. *Advance approval.* The purchase, lease, or rental of aircraft by AFA from patrons, military personnel, or civilian Government employees will be reviewed in advance by the installation SJA, and approved by the commander or designee, in order to preclude the potential for or appearance of any conflict of interest.

J-12. Petroleum products

Commanders may authorize the sale of petroleum products by AFA to patrons for reasons of safety. Considerations will include requirements for additional landings and takeoffs during periods of heavy air traffic; condensation of moisture in fuel tanks not topped off after landing; and commercial petroleum products not available within a reasonable distance. If the commander authorizes the sale of aircraft petroleum products by the AFA, the following guidance will apply:

- a. Aircraft petroleum products intended for resale will be purchased from commercial sources.
- b. Petroleum products will be sold only to patrons of AFA.
- c. Prices charged for the petroleum products will be comparable to those charged in nearby civilian communities. A quarterly survey of at least three local area fixed base operators providing aviation fuel services will be used to determine average prices. AFA fuel and oil resale prices will be determined by the obtained average price.
- d. Price adjustments will be made within three days of the quarterly survey.
- e. Survey documentation must be retained on file for a period of 18 months.
- f. Storage of petroleum products will be in accordance with Military Standard 161G (MIL-STD-161G) and Military Handbook 200F (MIL-HDBK-3004). Fuel handling personnel will be properly trained.

J-13. Flight publications

- a. The U.S. Army Aeronautical Services Agency will provide AFA with free issues of publications listed below. Between one and three copies will be provided, depending on the size of the AFA and number of aircraft:
 - (1) En route Low-Altitude Charts (limited to the local flying area).
 - (2) Terminal Low-Altitude Instrument Approach Procedures (limited to the local flying area).
 - (3) En route instrument flight rules (IFR) and visual flight rules (VFR) supplements.
- b. Publications may be obtained from U.S. Army Aeronautical Services Agency, Building 1466, Suite N319, 9225 Gunston Road, Fort Belvoir, VA 22060-5582.
- c. Flight publications are listed in the Public Sale Catalog of Aeronautical Charts and Publications, available from the National Imagery and Mapping Agency, 4600 Sangamore Road, Bethesda, MD 20816-5003.

J-14. Flight operations

- a. *Local flying area.* Each installation will establish a local flying area for AFA aircraft. Designation of local flying areas will be coordinated with the installation Army aviation element to ensure compatibility with Army aviation requirements and will be based on the considerations listed below.
 - (1) Boundaries will be marked by natural or artificial terrain features that are easily identified from the air.
 - (2) Local flying areas will be prominently displayed in classrooms and similar facilities.
 - (3) Local flying areas will not—
 - (a) Exceed a 50-nautical mile radius for licensed pilots and a 25-nautical mile radius for student pilots.
 - (b) Extend more than 5 nautical miles from the coast of the United States.
 - (c) Approach closer than 5 nautical miles to any international boundary.

b. Local flying area rules. Appropriate rules governing use of local flying areas will be established and published. All rules will be coordinated with the local Army aviation element or fixed base operator to ensure compatibility and are cleared with the servicing FAA General Aviation District Office.

(1) Patrons will not pilot AFA aircraft when fatigued, under the influence of alcohol or drugs, or otherwise incapacitated.

(2) Aerobatic maneuvers will be not flown below an altitude of 2,500 feet above ground level (AGL). This is a minimum and depends on the type of aircraft. Patrons may perform only those maneuvers that are specifically permitted in the aircraft manufacturer's handbook, FAR, part 91.71, and local flying area rules. A student pilot will not perform deliberate aerobatic maneuvers unless a qualified instructor pilot has access to the controls.

(3) Stalls, steep turns with banks of over 45 degrees, slow flight, and unusual altitudes will not be performed below 1,500 feet AGL, except for maneuvers that are performed for pilot certification.

(4) Night flights will be additionally restricted based on the following:

(a) Patrons will not pilot aircraft on night cross-country flights outside of the designated local flying area unless qualified in accordance with FAR, part 61.109, and cleared by an AFA flight instructor.

(b) Performance of aerobatics or unusual altitudes is prohibited.

(c) Night instrument training will be conducted by a FAA-certified instructor.

(d) Night instrument practice within the local flying area will be authorized only when accompanied by a second pilot who has proper current certifications and has access to the flight controls.

(5) Touch-and-go solo landings by student pilots will not be permitted unless authorized by a FAA-certified activity flight instructor.

(6) Stop-and-go landings will be permitted only when the remaining runway provides the required acceleration stop distance.

(7) All flight plans must meet or exceed minimum fuel requirements prescribed by FAR, part 91.

(8) Maximum flight time for a single pilot will not exceed 8 daytime hours, 6 nighttime hours, or 7 hours for a combination of both. Minimum crew rest between flight days is 10 hours.

c. Preflight and postflight checks.

(1) Each pilot will perform a preflight check of the aircraft before each flight. This check will ensure that the aircraft is airworthy and that all accessories are complete and in good working order. If a defect is found that could interfere with the safe operation of the aircraft, the flight will not be made.

(2) Postflight checks will be performed after each flight. Any defect detected during flight or during the postflight check will be reported for correction.

(3) All flight checks will be performed using standard checklists, not from memory. Failure of the pilot to make a preflight or postflight check will be grounds for disciplinary action. The fact that a postflight check was made by a pilot who used the aircraft earlier in the same day will not relieve any other pilot of the responsibility for conducting required flight checks.

d. Required equipment. Each pilot will be responsible for obtaining the proper charts, equipment, and information required for each flight. In addition to equipment required by FAR, the following items will be kept in the aircraft at all times, unless otherwise specified:

(1) Checklists, including preflight, prestart, warmup, pre-takeoff, cruising flight, prelanding, shutdown, and postflight.

(2) Emergency procedures, to include maneuvering speeds, single-engine procedures for multi-engine aircraft, normal fuel consumption, best climb and glide speeds, stalling speed, and lost communications procedures. If not adequately covered in the aircraft manual, procedures will be typed on cards with plastic coverings and maintained in a conspicuous place that is readily accessible to the pilot.

(3) A placard showing compass deviation correction that is visible to the pilot.

(4) Detailed instructions for remaining overnight and flying in severe weather.

(5) A crosswind component chart that applies to the aircraft and charts showing the local flying area and its topographic features.

(6) For visual flight rules (VFR) flights, charts showing the topographic features of the area of flight and publications containing the proper navigational aids.

(7) For instrument flight rules (IFR) flights, charts and flight information publications necessary for instrument departures, en route flights, and instrument approaches.

(8) For all night flights, an emergency light that does not require the use of the aircraft battery.

(9) An emergency locator transmitter for all flights outside of the airport traffic area.

e. Flight planning, review, and clearance.

(1) A flight plan will be filed and the pilot's currency in the aircraft to be flown will be validated before any flight.

- (2) Preflight planning for cross-country flights will verify, as a minimum the following:
- (a) Adequacy of intended destination airports and alternates including runway length. Minimum acceptable runway length is 2,000 feet or the aircraft takeoff or landing roll requirement, whichever is greater, based on actual or forecast conditions.
 - (b) Accuracy of weight and balance computations and limitations.
 - (c) Availability of navigation, communications, and en route flight service station facilities.
 - (d) Applicability of any passenger restrictions.
 - (e) Adequacy and completeness of charts.
 - (f) Adequacy of personal equipment.
 - (g) Adequacy and completeness of flight logs, except for winds, times, and ground speeds. Minimum en route altitude must be no lower than 1,500 feet AGL.
 - (h) At least 30 minutes of fuel remaining at the end of the flight under VFR conditions, and 45 minutes under IFR conditions.
 - (i) That flights departing the continental limits of the United States are planned, cleared, and conducted under provisions of the International Flight Information Manual or the DOD Foreign Clearance Guide (DODD 4500.54-E), as appropriate, and applicable AFA operating instructions.
- (3) The pilot will determine existing and forecast weather conditions prior to the flight and ensure that conditions meet minimum standards for the type of flight planned. VFR minimums are—
- (a) Day: 1,500 feet AGL and 3 miles.
 - (b) Night: 2,500 feet AGL and 5 miles.
- (4) Private pilots with 200 hours or more of flying time and commercial pilots may request standard FAA VFR minimums.
- (5) The AFA will establish maximum headwind and crosswind standards for each level of pilot certification and aircraft type.
- (6) Planning for IFR flights must include the following elements:
- (a) Pilots must hold a current FAA instrument certificate and be current with FAR and local flying area requirements.
 - (b) Pilots will ensure that the aircraft is equipped with required instrumentation, and that instruments, communications, and navigation equipment are checked, calibrated, and fully operable according to FAA regulations. Appropriate entries are made in aircraft logs.
 - (c) Pilots will have in their possession current departure, terminal, and en route flight information publications.
- (7) The AFA will appoint clearing authorities to approve flight plans. Clearing authorities are experienced pilots who have demonstrated mature judgment and safety consciousness. There is no limit to the number of clearing authorities who may be appointed. Clearing authorities will have the following responsibilities:
- (a) Ensure that pilots are current in all aspects.
 - (b) Ensure that flight plans are adequate and complete.
 - (c) Ensure that weather conditions do not present potential difficulties beyond the skill and experience levels of the pilot.
 - (d) Sign approved flight plans, indicating the date-time group of approval. If no clearing authorities are at the AFA, telephone clearances may be granted after the pilot briefs the clearing authority on the flight plan, weather, and other pertinent data. Records of telephone clearances will be noted on each flight plan.

J-15. Flight training

The continuing operation of or access to a high-quality flight training program must constitute a significant part of installation AFA operations and is the primary means of promoting interest in aviation, teaching of basic piloting skills to new patrons, and improving the skills of experienced pilots. Certified FAA flight training programs will be used to the maximum practical extent.

- a. Each installation AFA will be required to operate or provide access to a primary ground school and a primary flight training program, based on the curriculum outlined in the FAR, part 141.
- b. The chief flight instructor will have primary responsibility for planning, conducting, and managing flight training programs, and supervising the performance of flight instructors, and additional responsibility for the following:
 - (1) Developing operating instructions for flight instructors that include—
 - (a) Flight instructor's duties and responsibilities.
 - (b) Standardized flight check procedures.
 - (c) Course outlines for each program.
 - (d) Endorsement requirements for student certificates and logbooks specified by the FAR, part 61.
 - (2) Establishing standard dual and solo training cross-country routes.

- (3) Structuring training programs to satisfy the following requirements:
 - (a) Navigation training with increasingly graduated degrees of difficulty.
 - (b) Use of both controlled and uncontrolled airports.
 - (c) Civil weather briefing, flight plan filing, and closing procedures.
 - (d) Visual and navigational aids orientation procedures.
 - (e) Interpretation and use of aircraft owner's manual operating instructions.
 - (f) Calculation and use of density altitude.
- (4) Developing detailed operating instructions for deteriorating weather and lost procedures, and ensuring that copies are aboard each aircraft during flight.
 - c. Flights by student pilots are subject to the following restrictions:
 - (1) Solo cross-country flights will be limited to daytime hours.
 - (2) Solo cross-country flights may be flown into destination airports that have not previously been used only when the student pilots have the following requirements:
 - (a) Met all dual cross-country requirements.
 - (b) Completed 3 hours of solo cross-country flying into airfields where they have previously executed satisfactory traffic patterns in dual flights with instructors.
 - (3) Each cross-country route is a closed course requiring no more than 1 flying day to complete.
 - d. Any pilot, including rated military pilots, without solo cross-country experience in the past 2 years must complete the following requirements before being cleared to fly as pilot-in-command of a cross-country flight:
 - (1) Satisfactory completion of dual navigation instruction with a certified flight instructor.
 - (2) Satisfactory completion of an oral test on flight planning.
 - e. Training in simulated forced landings is authorized, provided the aircraft is not allowed to descend below 250 feet AGL unless the landing is on an authorized runway. Pilots will practice forced landings only when accompanied by a flight instructor.
 - f. Training and checkouts in retractable-gear aircraft will require demonstrating proficiency in the following performance factors for the type of aircraft to be flown:
 - (1) The proper use of checklists.
 - (2) Retractable gear operation.
 - (3) Propeller operation.
 - (4) Emergency procedures.
 - (5) Various types of approaches and flap settings.
 - g. The conduct of training flights involving student pilots will be subject to the following restrictions (these restrictions will not apply to FAA inspectors and others whose official duties require observation of training or qualification flights):
 - (1) Only the instructor pilot and pilots receiving flight checks will be permitted aboard a qualification check flight.
 - (2) Only the instructor pilot and the pilots receiving instruction will be permitted aboard a training flight.

J-16. Flight standardization

Each installation AFA will conduct an ongoing flight standardization program to verify or revalidate the flying skills of licensed pilots periodically, ensure that flight checks and procedures are carried out uniformly, and standardize operating procedures for each type of aircraft. Standardization requirements are as follow:

- a. *Pilot standardization checks.* A certified flight instructor will administer a standardization evaluation flight check to each pilot—
 - (1) Prior to initial VFR solo flight in each aircraft type.
 - (2) Prior to initial IFR flight as pilot-in-command.
 - (3) Prior to initial VFR night flight.
 - (4) Every 12 months.
- b. *Flight checks.* Flight instructors will administer initial checkouts to AFA patrons as follows:
 - (1) Written exams on the aircraft, FAR, and local procedures. A grade of 85 percent is required. Completed exams will be retained in the patron's PIF.
 - (2) Demonstration of flying proficiency appropriate to the certificate held.
 - (3) Performance of three takeoffs and landings to the satisfaction of the flight instructor.
- c. *Instructor checks.* The chief flight instructor will administer instructor checks as specified in the FAR, part 141.79, to include the following:
 - (1) A written examination on aircraft, instruction techniques, FAR, and local procedures. A grade of 85 percent corrected to 100 percent is required. Completed exams are retained in each instructor's PIF.

(2) Flight checks, as considered appropriate by the chief flight instructor.

d. Chief instructor checks. The chief instructor will be checked as required by the FAA. Results are retained in the chief instructor's PIF.

e. Instrument flight checks. These checks will be administered every 12 months to patrons who hold IFR flight authorization. A patron disqualified by any instrument flight check may not fly IFR flights until additional training is received and a recheck is successfully completed.

(1) Rechecks must be administered by a certified instrument flight instructor.

(2) The patron is required to demonstrate standards of flying proficiency and knowledge of procedures appropriate to the instrument rating.

(3) Written exams on instrument procedures, FAR, and local procedures will be graded, corrected, and filed in the patron's PIF. A grade of 85 percent corrected to 100 percent is required.

f. Twelve-month checks. This check requires at least 1 flight hour and three landings in the most complex aircraft in which the patron is current. Aircraft complexity will rank from fixed gear, fixed propeller, and less than 200 horsepower, through fixed gear, constant-speed propeller, cowl flaps, and more than 200 horsepower, to retractable gear, constant-speed propeller, and more than 200 horsepower. Requirements are as follows:

(1) The pilot must demonstrate standards of flying proficiency appropriate to the certificate held.

(2) Written examinations on the aircraft, FAR, and local procedures are graded, corrected, and filed in each patron's PIF. A grade of 85 percent corrected to 100 percent is required.

g. Night VFR checkouts. Pilots having a current private license and day VFR checkout must fulfill the following requirements to the satisfaction of the flight instructor prior to night flight:

(1) At least three takeoffs and landings to a full stop, with emphasis on correct patterns.

(2) A tour of the local flying area that identifies local area landmarks and all obstacles to air navigation.

(3) One very high frequency/direction finding or surveillance approach, if facilities are available.

(4) At least three landings at selected night-capable airports in the local area.

(5) Appropriate maneuvers for night VFR flights.

(6) Use of aircraft landing lights during the first night approach.

h. Alternate checks. The successful completion of a FAA flight check conducted by a FAA inspector may, at the discretion of the chief flight instructor, be accepted in place of one or more of the required flight checks. However, required written examinations will be administered and graded by an AFA flight instructor, and all other currency qualifications specified in FAR and this appendix must be satisfied.

(1) Patrons desiring to fly as pilot-in-command must satisfy FAA requirements and the requirements of this appendix.

(2) Medical requirements for glider pilots are the same as for pilots of powered aircraft.

(3) The AFA manager will maintain the currency status of all pilots to include aircraft type, health status, and expiration dates. A pilot who loses currency in a specific type of aircraft will be required to repeat the initial checkout for that type of aircraft.

(4) Day currency requirements are as follows:

(a) Student pilots must demonstrate proficiency at least once every 30 days by performing a dual instructional flight and landing to the satisfaction of the flight instructor. Solo flights will not be attempted until satisfactory completion of progress checks and approval of the flight instructor. Students must maintain currency in only one type of aircraft.

(b) Private pilots with fewer than 200 hours of pilot time must accomplish at least 1 hour of pilot time and three landings every 60 calendar days in the most complex aircraft in which qualified.

(c) Private pilots, commercial pilots, and instructor pilots with more than 200 hours of pilot time must accomplish a minimum of 1 hour of flight time and three landings every 90 calendar days in the most complex aircraft in which qualified.

(5) For night currency, at least 1 hour of night flight time, with three takeoffs and three landings to a full stop, must be accomplished within the time periods prescribed for day currency. Night flights also must fulfill day currency requirements. A pilot who does not meet night currency requirements but who remains current in all other requirements will be allowed a 30-day grace period in which to regain currency. Night flights during this period will be flown either solo or with a flight instructor. Following the 30-day grace period, night currency will be regained through an initial night flight check.

(6) Instrument currency will be maintained in accordance with the FAR, part 61.

J-17. Safety and accident prevention

Each installation AFA must conduct a vigorous safety and accident prevention program to promote and enforce safe flying practices, conduct related education and training programs, and generally, ensure that safety considerations are integrated into management activities and all maintenance and flight operations.

a. The AFA safety officer will manage the safety and accident prevention program in accordance with the provisions of paragraph J-10c.

b. The installation aviation safety officer will serve as advisor to the AFA and has the following responsibilities:

(1) Coordinating activities with the AFA safety officer.

(2) Conducting and documenting safety inspections of the AFA, as prescribed by the commander.

(3) Ensuring that safety discrepancies noted during inspections are corrected.

(4) Making accident prevention information available. This information will include mishap reviews, inspection reports, posters, safety magazines, training aids, and operational hazard reports.

(5) Assisting in reporting AFA accidents and incidents required by this appendix and the National Transportation Safety Board (NTSB) (49 CFR 830).

c. The ACRC will support installation AFA by providing ACRC aviation safety publications applicable to the AFA.

d. Patrons appointed as safety officers will be required to attend the ACRC aviation safety course. The supporting NAFI/entity will pay transportation, travel, and per diem. Attendance will be coordinated with FMWRC. Safety officers who have previously completed a formal aviation safety course are exempted by FMWRC.

e. The safety officer will be alert to potential hazards and recommend changes in operations, procedures, methods of instruction or supervision, and life support and airdrome facilities as they pertain to flight safety.

f. AFA aircraft will be operated in a safe manner at all times, and in compliance with this appendix, local installation directives, and applicable FAA directives. Local operating procedures will prohibit unsafe acts that expose individuals to possible injury, jeopardize life, or expose an airframe to conditions that may result in damage or destruction. Specific prohibitions must include—

(1) Buzzing or hedgehopping in violation of minimum safe altitudes.

(2) VFR flights in violation of VFR minimums.

(3) Flights in the vicinity of clouds in violation of minimum clearance distance.

(4) Operating aircraft beyond the manufacturer's stated operational limitations.

(5) Unauthorized aerobatics.

g. Undue stresses, such as hard landings or severe turbulence, will be recorded in the aircraft flight log, and the aircraft will be properly inspected and declared airworthy before being released for further flight.

h. The safety officer will conduct quarterly safety meetings and prepare minutes. Safety meetings are professional, stimulate interest, and will—

(1) Use guest speakers, such as control tower operators, flight surgeons, engine specialists, weather experts, FAA officials, and others involved in aspects of flight safety.

(2) Discuss the following subjects, as local needs dictate:

(a) Army and IMCOM Region policies and directives.

(b) FAA regulations.

(c) Local flying area problems.

(d) Seasonal flying hazards, to include weather.

(e) Light aircraft maintenance and potential problem areas.

(f) Light aircraft accident briefs.

(g) Wake turbulence, flight planning, and fuel management.

(h) Emergency and lost procedures.

(i) Spatial disorientation, hypoxia, and survival.

(j) Recurring problems, such as seasonal weather, crosswinds, and wake turbulence.

i. Attendance at safety meetings will be mandatory for all AFA patrons. Patrons who fail to attend a meeting will be denied flying privileges until they review the minutes of the meeting or are briefed on the meeting by the safety officer or a designee. Records of attendance and make-up readings or briefings will be maintained for 1 year.

J-18. Accident report

a. *Initial reports.*

(1) *DA Form 7305 (Worksheet for Telephonic Notification of Aviation Accident/Incident).* Worksheet information will be submitted telephonically or by data fax or e-mail as required by AR 385-40 immediately after any AFA aircraft flight or flight-related accident resulting in major or substantial damage (in accordance with FAA standards) to the airframe, property, or resulting in any of the following:

(a) Fatality.

(b) Permanent total disability.

(c) Permanent partial disability.

(d) Hospitalization of five or more (in-patient status).

- (e) Loss of time from work beyond the day on which the accident occurred.
- (2) *DA Form 7306 (Worksheet for Telephonic Notification of Ground Accident)*.
- (a) Worksheet information will be submitted telephonically or by data fax or e-mail immediately after any AFA ground accident resulting in airframe damage or other events described in paragraphs J-18a(1)(a) through (e).
- (b) Worksheet information will be prepared and submitted by the installation AFA for any accident involving its own aircraft and for any accident involving AFA aircraft from other installations operating in the local flying area.
- (c) An accident involving two or more aircraft will be reported as a single event.
- b. *Accident investigation reports.*
 - (1) *DA Form 2397 series (Technical Report of Army Aircraft Accident)*. This report will be submitted as required by AR 385-40. This report is a follow-up of the Telephonic Notification Worksheets and will be prepared in accordance with the following instructions:
 - (a) The report is prepared as directed by the commander in accordance with instructions in AR 385-40.
 - (b) The commander will appoint a rated Army aviator to conduct a technical review of the completed report in order for the commander to make appropriate recommendations.
 - (c) The completed report will be forwarded through channels to the Commander, Army Combat Readiness Center (CSSC-I), Fort Rucker, AL 36362-5363.
 - (d) Completed reports will be submitted within 90 calendar days of accident occurrence.
 - (2) *DA Form 2397-AB (Abbreviated Aviation Accident Report)*. AFA flight and flight-related accidents resulting in minor airframe or property damage will be reported using this form. Reports will be submitted within 10 calendar days of accident occurrence.
 - (3) *DA Form 285-AB (U.S. Army Abbreviated Ground Accident Report (AGAR))*. AFA ground accidents resulting in minor airframe or property damage will be reported using this form. Reports will be submitted within 30 calendar days of accident occurrence.
- c. *Army Flying Activity Accident Report*. Accidents involving AFA aircraft will be reported to the NTSB in accordance with 49 CFR 830. Copies will be provided to FMWRC (IMWR-CR and IMWR-FM) at the street address in paragraph J-1.
- d. *Reporting requirement*. The garrison MWR operating entity manager will report all accidents in accordance with this appendix.

J-19. Accident investigations

The commander will appoint a rated Army aviator to investigate any accident that requires submission of a report involving AFA aircraft. Accident investigations will be conducted in accordance with the following guidance:

- a. Investigations will be conducted for the sole purpose of determining causes and preventing the recurrence of similar accidents. Investigations involving line of duty status, liability, or personal misconduct will be conducted separately.
- b. Local investigations must not interfere with or obstruct NTSB or FAA investigations, or investigations conducted by the International Civil Aviation Organization in foreign areas. Local investigations will be conducted in cooperation with other investigating agencies to the extent feasible.
- c. Release of accident investigation and information will be governed by AR 385-40.

J-20. Aviation maintenance

- a. Aircraft will be maintained in accordance with applicable FAA directives and the specifications of aircraft manufacturers.
- b. Systematic maintenance programs will be established that provide for scheduled inspections, routine maintenance, and major overhauls of airframes, engines, and other components. Deviations from established schedules will be permitted only in exceptional circumstances. Maintenance schedules for Government aircraft on loan to installation AFAs will not be changed without prior approval of the FAA and the Commander, Army Aviation and Missile Command (AMSAM-MMC-MA), Redstone Arsenal, Huntsville, AL 35898-5000.
- c. The maintenance program will be based on aircraft inspections conducted at specified intervals, and prompt correction of any discrepancies found. Compliance with inspection periods recommended by the aircraft manufacturer and FAA is mandatory. Minimum inspection requirements will be as follows:
 - (1) Pilot's preflight and postflight inspections.
 - (2) Minor inspections, as recommended by aircraft and engine manufacturers.
 - (3) Major inspections at 100-hour intervals or progressive inspection programs approved by both the aircraft manufacturer and the FAA.
 - (4) Annual inspections for airworthiness certification.
 - (5) Periodic activity inspections.

- d.* Maintenance quality control will include, but not be limited to—
- (1) Currency of inspections.
 - (2) General condition of aircraft and associated equipment.
 - (3) Compliance with aircraft modification equipment manuals.
 - (4) Adequacy and currency of maintenance manuals.
 - (5) Adequacy and condition of facilities.
 - (6) Safety practices.
 - (7) Security of aircraft while undergoing maintenance.
- e.* The maintenance officer will ensure that the following maintenance records are maintained:
- (1) Aircraft and engine logbooks, as required by the FAA.
 - (2) Aircraft flight manuals, equipment lists, and repair and alteration records required by the FAA.
 - (3) Running maintenance logs documenting the recent maintenance history of each aircraft. Logs will include a record of the discrepancies noted by the pilot, a complete record of corrective actions, and the signature of the person releasing the aircraft for flight. Uncleared discrepancies require the aircraft to be grounded until corrective action is completed.

J-21. Safety inspections

USACRC may conduct annual safety inspections on an unscheduled basis.

J-22. Annual status report

Installation AFAs will prepare and submit an annual status report (RCS AG848) summarizing patronage, flight operations data, and related information.

- a.* Reports will be prepared using DA Form 4909.
- b.* Reports will be based on activities occurring during each fiscal year.
- c.* Completed reports will be forwarded to FMWRC, at the address in paragraph J-1, and must be received by 31 October annually. Copies will be provided to the commander and appropriate IMCOM Region director.

Appendix K

Awards Program

K-1. Awards

MWR and NAFI awards administered by FMWRC are as follows:

a. The Order of the White Plume. The White Plume Award recognizes military and civilian (both APF and NAF) personnel for services performed while in active employment with the DOD. The award is based on specific achievements or acts, or on continuous exceptional service, which has impacted significantly and made long-term contributions to Army MWR/Family programs and activities. Nominations will be reviewed and approved by the FMWRC Commander. (Procedures for nominations may be obtained from FMWRC.)

b. The Peter F. Isaacs Morale, Welfare, and Recreation/Family Programs Lifetime Achievement Award. This award recognizes and honors individuals who, in the course of their careers, have made significant and lasting contributions to Army MWR and/or Family programs. There is no limit to the number of nominees in a specified time frame. FMWRC SOP 1-4 provides additional criteria, nominating procedures, and approval procedures for this award.

c. The James A. Carroll, Jr. Award for Excellence in Club Management and the Excellence in Management Awards for Golf, Bowling, Leisure Travel, and Recycling. These awards are awarded annually to managers selected from nominations through IMCOM Region channels to FMWRC and the Carroll Excellence in Management Awards Selection Panel. Nominations are normally due at the end of November for the previous fiscal year performance. (Guidance is issued separately by FMWRC.)

d. Army Sports Program Athlete of the Year. Annually, a male and a female athlete will be selected based on their performance for that year only. A selection panel will decide on the winners of the award, with the level of competition as one of the factors to be considered by the panel. Separate guidance is issued from FMWRC.

e. Recreation Program Awards. Awards include Outstanding Recreation Programs (Arts and Crafts, Automotive Skills, Outdoor Recreation, Entertainment, Library, and Recreation Center); Recreation Program of the Year, Army Recreation Career Employee; Army Recreation Employee of the Year; and Army Recreation Volunteer of the Year. Guidance on these awards is issued separately by FMWRC.

f. Art and Crafts Contest. See chapter 8, this regulation.

g. All-Army Photography Contest. See chapter 8, this regulation.

h. Army Chess Tournament. See chapter 8, this regulation.

i. U.S. Army Battle of Bands Competition. See chapter 8, this regulation.

j. Parade of American Music—Army Participants. See chapter 8, this regulation.

k. Parade of American Music—Army Composers. See chapter 8, this regulation.

l. BOSS program awards. Include the Julius Gates Award, the Felteus Edwards Award, and the BOSS President of the Year. A selection panel will decide on the winners of these awards. Guidance on these awards is issued separately by FMWRC (IMWR-CR).

K-2. Instructions

Specific instructions on each award, competition, and tournament are contained in this regulation and guidance issued separately by FMWRC and/or posted on the MWR Web page at www.armymwr.com.

Appendix L

Golf Course Coverage

L-1. Insuring agreement

RIMP will agree to pay the NAFI/entity the value of real property and personal property used in connection with the golf program, including its related activities, not including loss of use, owned by the NAFI/entity as described below and which is lost, damaged, or destroyed during the coverage period caused by a covered cause.

L-2. Described property

The following are covered: Bridges, towers, pipes, dams, exterior light fixtures, irrigation systems, in ground sprinkler systems and equipment, tennis courts, television satellite dishes, fences, pilings, piers, wharves, docks, retaining walls, roadways, walks, patios, and other paved surfaces, outdoor signs and other miscellaneous property, such as ball washers, flags, tee signs and benches, golf holes, meaning tees, cut fairways, sand traps, green areas, driving range, and trees, shrubs, and plants limited to a maximum of \$500 per tree, shrub, or plant and \$15,000 sublimit, including debris removal.

L-3. Limits of liability

- a. RIMP's limit of liability with respect to any one occurrence will not exceed \$250,000.
- b. Limit for trees, shrubs, and plants will be \$15,000 and will be limited to \$500 per tree, shrub, or plant, including debris removal per course. A course is defined as 18 holes or fewer. Those locations with 27-36 holes have two courses. A location with 45 holes has three courses.

L-4. Deductible

All covered losses, except those caused by wind and lightning, are subject to a \$1,500 deductible per occurrence. Covered losses caused by wind are subject to a \$5,000 deductible per occurrence. Covered losses caused by lightning are subject to a \$3,500 deductible per occurrence.

L-5. Covered causes of loss

RIMP will pay for direct physical loss or damage to covered property, unless—

- a. The cause of loss is listed under "exclusions" in paragraph L-6.
- b. The type of property is listed under "property not covered" in paragraph L-7.

L-6. Exclusions

RIMP will not pay for loss or damage caused by—

- a. Directly or indirectly, nuclear reaction, nuclear radiation, or radioactive contamination or loss or damage caused therefrom.
- b. War, including undeclared or civil war, warlike action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personnel or other agents.
- c. Directly or indirectly, any of the following. (Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss).
 - (1) Earth movement. Any earth movement, but if earth movement results in fire or explosion (other than volcanic explosion) or volcanic action and these causes of loss would be covered under this coverage, RIMP will pay for the loss caused by that fire or explosion.
 - (2) Flood and water damage. If flood or water damage described below results in fire or explosion, RIMP will pay for the loss caused by fire or explosion.
 - (a) Flood.
 - (b) Water from a nonexistent body of water that backs up from sewer or drain.
 - (c) Water below the surface of the ground, including that which exerts pressure on, or flows, seeps or leaks through foundations, walls, floors, or paved surfaces; basements, whether paved or not; or doors, windows, or other openings.
 - (3) Ordinance or law. The enforcement of any ordinance or law—
 - (a) Regulating the construction, use, or repair of any property.
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- d. Or resulting from any of the conditions listed below. If an excluded cause of loss that is listed below results in a fire or explosion and if these causes of loss would be covered under this coverage, RIMP will pay for the loss caused by that fire or explosion. Conditions are—

- (1) Freezing or extremes of temperature.
- (2) Rain, snow, sleet, sand, or dust.
- (3) Wear and tear, hidden or latent defect, or gradual deterioration.
- (4) Corrosion, rust, dampness, dryness, or funguses.
- (5) Loss or damage caused by or resulting from, contributed to or made worse by actual or threatened release, discharge, escape, or dispersal of contaminants or pollutants, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to, or aggravated by any physical damage insured by this coverage, unless loss or damage from a peril insured herein ensues, and then this coverage will cover such ensuing damage.
- (6) Neglect on the part of the NAFI/entity to take all reasonable steps to protect the covered property when there is notice of an impending disaster or during or after such a disaster. RIMP will not cover any loss that results from neglect.
 - e. Or resulting from—
 - (1) Burn-outs of fairways, tees, and greens.
 - (2) Voluntary parting with any property by the NAFI/entity or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device, or false pretense.
 - f. Or resulting from insects, birds, rodents, or other animals. However, if an excluded cause of loss that is listed above results in a covered cause of loss, RIMP will pay for that loss caused by that covered cause of loss.
 - g. Dishonest acts by the NAFI/entity, anyone else with an interest in the property, or the NAFI's/entity's employees or agents, whether or not occurring during the hours of employment.
 - h. Any location that is not specifically declared onto and made a part of this coverage.

L-7. Property not covered

RIMP will not pay for the following, unless specifically included as covered property (and then only to the extent included). RIMP will not pay for spare or repair parts to any of the items in paragraphs L-7a through e.

- a. Loss of records of accounts receivable, valuable papers, or data including data or media.
- b. Loss to golf carts, autos, aircraft, watercraft, or any other vehicle both licensed and designated for highway use.
- c. Loss to buildings or their improvements, building materials or supplies of any kind.
- d. Loss to cement, sand (other than sand traps), gravel, or earthen fill.
- e. Loss to furniture, fixtures, office supplies or equipment, including grounds equipment.
- f. Loss to water or land including land on which the property is located.
- g. Money and securities.
- h. Any other property not specifically described or scheduled hereon.
- i. Loss or damage to netting and poles worldwide.

L-8. Coverage conditions

- a. *Coverage period.* RIMP will cover loss or damage commencing on the date that coverage is requested and approved.
- b. *Territory.* This coverage will cover only the locations that specifically request golf course coverage.
- c. *Valuation.* RIMP will determine the value of property covered in the event of loss or damage. In the event of loss, the value of property will be determined as of the loss. RIMP will not pay more than the least of—
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.
- d. *Notice of loss.* As soon as practicable after any loss or damage occurring under this coverage is known, the NAFI/entity will report such loss or damage with full particulars to RIMP within 60 days from the date of the loss.
- e. *Duties after loss.* In case of a loss to which this insurance may apply, the NAFI/entity will see that the following duties are performed:
 - (1) *Protection of property.* Protect the property from further loss and take all steps possible to minimize the loss. If expenses are incurred in doing so, they will be borne by the NAFI/entity and RIMP proportionate to respective interests, consistent with use of due diligence.
 - (2) *Notice of loss.* Report as soon as practicable in writing to RIMP any loss or damage that may become a claim under this coverage.
 - (3) *Proof of loss.* File with RIMP a detailed proof of loss within 90 days after discovery of the loss. The proof of loss will be signed and sworn to by the NAFI/entity that the facts of the loss and the amount thereof are to the NAFI's/entity's best knowledge and belief.
- f. *Partial payment of loss.* In the event of a loss covered by this coverage, RIMP will allow a partial payment(s) of claim subject to the coverage provisions and normal adjustment process.

g. Payment of loss.

(1) Loss, if any, will be payable to the NAFI/entity or the NAFI's/entity's loss payee.

(2) Unless a claim has been paid by others, all adjusted claims will be paid or made good to the NAFI/entity within 30 days after presentation of satisfactory proof of interest and loss to the RIMP office or after RIMP can reach agreement with the NAFI/entity. No loss will be paid or be made good if the NAFI/entity collects the same from others.

h. Reinstatement. Any covered loss will not reduce the amount of this coverage's per occurrence limit.

i. Recoveries. Any recovery or salvage on a loss will accrue to RIMP's benefit until the sum paid by RIMP is repaid.

j. Definitions.

(1) "Loss" means accidental loss or damage.

(2) "Actual cash value" means the present-day value of property measured in cash, arrived at by taking the replacement cost and deducting for depreciation brought about by physical wear and obsolescence where applicable.

k. Debris removal.

(1) This coverage will cover the cost of removal of debris of property resulting from a covered loss.

(2) This coverage will not cover the following expenses:

(a) The cost of removal of debris of property not insured hereunder from the premises of the insured.

(b) Decontamination of debris.

(c) Extraction of contaminants or pollutants from land or water.

(d) Removal, restoration, or replacement of contaminated or polluted land or water.

l. Cancellation. This coverage will be cancelled by stating in writing the future date it is anticipated to be cancelled.

m. Due diligence clause. The NAFI/entity will use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss or any circumstance likely to give rise to a loss or claim covered under this coverage. It is agreed that this coverage will extend to indemnify the NAFI/entity for any ascertained net loss of additional incurred expenses and/or increased costs necessarily incurred by the NAFI/entity to avoid or diminish any such loss or claim, subject to any deductible provision, provided, however, that in no circumstances will RIMP's maximum liability under this coverage be greater than the sum insured as declared, or that which would have been incurred had the NAFI/entity not incurred said increased costs and/or additional out-of-pocket expenses, or in any event exceed the limits of liability of this coverage.

n. Premises protection. It is a condition of this insurance that the NAFI/entity will maintain such protective safeguards as were represented by the NAFI/entity to be in effect at the time that this coverage was approved by RIMP. Failure to maintain such protection safeguards will void this coverage to the extent of any loss resulting from or contributed to by the lack of such protective safeguards.

Appendix M

NAFI/Entity Asset Losses

Section I

Reports of Investigation

M-1. General

Normally, the fund manager/entity administrator will be responsible for NAF property and for initiating reports of losses to proper authorities (military police, fire marshal, ACIF, or the approval authority). The person designated to investigate the incident will coordinate any investigative effort with the applicable law enforcement agency (Office of the Provost Marshal and U.S. Army Criminal Investigation Command) as appropriate and will be senior to the person being investigated (commissioned or warrant officer; NCO, E-7 or above; or a civilian employee GS-7 or above). Reports will be submitted to the approval authority within 15 days of the discovered loss and prepared in a standard memorandum format shown in AR 25-50, unless another format is prescribed locally. Reports will include facts and circumstances surrounding the loss, specific findings, and recommendations. Interview with principals and witnesses and examination of documents and physical evidence will also contribute to the development of findings and recommendations. They will be included as part of the report along with any rebuttal, reconsideration, appeal, and legal opinion which may result.

M-2. Reports

Reports will include—

- a.* Date, time, and location of the incident.
- b.* Description of lost, damaged, or destroyed items to include the makes, models, serial numbers, and quantities.
- c.* Value determined as follows:
 - (1) Cash: the actual dollar amount. For foreign currency, the actual amount in the foreign denomination and its equivalent value in U.S. dollars.
 - (2) Securities: market value at the close of business on the day the loss was discovered.
 - (3) Property: fair market value at the time of the loss, if available, or original acquisition cost, less depreciation shown in table 19-3.
 - (4) Resale merchandise: wholesale or actual acquisition cost.
 - (5) Cost of repair, if item recovered is damaged and repairable.
- d.* Accounting of insurance proceeds (RIMP Claim Closing Memo) showing amount paid or commercial insurance payments, indicating any depreciation and/or deductible or basis for denial of payment on claim.
- e.* Circumstances surrounding the loss.
- f.* In-depth analysis of all available evidence (statements provided by principals and witnesses, the degree to which each statement is substantiated or contradicted by other statements, related documents, or physical evidence) to establish—
 - (1) What, when, where, why, and how, the loss occurred.
 - (2) Who was involved and who should be held responsible.
- g.* Management control weaknesses attributable to the loss, such as—
 - (1) Procedures for controlling prenumbered cash control forms and recording sales.
 - (2) Accuracy of receiving procedures.
 - (3) Timeliness of receiving report submissions and whether or not receipts and stock are secured and transfers documented properly (this includes transfers out due to breakage, spoilage, and obsolescence).
 - (4) Correctness of portioning food in food operations.
- h.* For inventory and retail sales accountability variances exceeding \$500, review the accuracy of—
 - (1) Beginning and ending inventories.
 - (2) Receiving reports.
 - (3) Sales receipts.
 - (4) Transfers in and out.
 - (5) Recorded cost of goods.
 - (6) Resale prices.
- i.* A separate paragraph listing all relevant findings and conclusions based on an analysis of all evidence:
 - (1) A separate subparagraph will address each finding, supported by evidence discussed in the report or attached as exhibits or enclosures.

(2) Specific procedures from relevant management control publications will be cited, particularly for those involving weaknesses in or noncompliance with management control procedures.

(3) The degree of negligence will be determined when the loss was due to or contributed to by actions or omissions of persons accountable or responsible for the NAF property. Simple negligence is the failure to act as a reasonably prudent person under similar circumstances. Gross negligence is an extreme departure from accepted standards and accompanied with a recklessness or wanton disregard of the consequences of the act or omission.

(4) Any extenuating or mitigating circumstances that bear on the extent of personal liability will be noted. Extenuating circumstances tend to rationalize, justify, or explain. Mitigating circumstances tend to lessen the severity, impact, or effect.

j. Evidence and supporting documents, including—

(1) Signed and dated witness statements.

(2) Copies of military police reports.

(3) SOPs and/or management control publications.

(4) Rental agreements.

(5) DARs.

(6) Canceled checks, payment vouchers, copies of bank deposit slips, and similar documents.

(7) ACIF claim closing memos or commercial equivalents that show payment or denial of insurance claims. Documents will include the basis of payments made, to include calculation of depreciation and deductibles, and the reasons for denial.

(8) Photographs of physical evidence, such as furniture, fixtures, or equipment.

k. A separate paragraph listing all recommendations. Recommendations will suggest corrective actions needed and fix individual responsibility. A separate subparagraph will address each recommendation. Each recommendation will be based on findings and evidence.

(1) Recommendations for corrective action will address systemic or procedural changes considered necessary to prevent recurrence and may include—

(a) Physically altering or modifying facilities.

(b) Establishing new procedures.

(c) Clarifying or strengthening established procedures.

(d) Improving management controls.

(e) Providing additional or specialized training.

(2) Recommendations that fix individual responsibility also include—

(a) The dollar amount for which the individual should be held pecuniarily liable.

(b) A portion of the loss, based on extenuating or mitigating circumstances.

(c) Relief from accountability or responsibility.

(3) Recommendations for liability limits will include—

(a) Accountable officers, contractors or contractor employees, states and territories of the United States, and individuals or entities not federally employed may be held liable for the entire amount of loss when negligence or willful misconduct is shown to be the proximate cause of the loss.

(b) In cases other than those in paragraph M-2k(3)(a), maximum liability will be as follows:

1. *Military personnel.* In an amount equal to 1 month's basic pay at the time of the loss or the actual amount of the loss, whichever is less.

2. *ARNG and USAR personnel.* One month's base pay refers to the amount that would be received by the Soldier if on active duty.

3. *DOD civilian employees.* One-twelfth of their annual pay or actual amount of loss, whichever is less.

4. *Two or more entities.* When two or more entities are held collectively and individually liable, computation of the loss is determined according to the procedures specified in AR 735-5.

(4) Recommendations involving liability must consider—

(a) The dollar amount of loss.

(b) The degree of negligence.

(c) The amount of insurance, if any, paid by the ACIF or commercial insurers, or the denial of insurance claims due to management control or physical security deficiencies.

(d) The administrative workload and costs associated with appeals and collection actions.

(5) Recommendations for liability will include the following items:

(a) Person's name and social security number.

(b) Dollar amount of liability charged and the method used to compute charges.

(c) Basic pay to which the individual is entitled in an average pay period.

(d) Date of employee discharge or termination, if applicable.

M-3. Submission of reports

a. Reports that recommend relief from accountability or responsibility will be submitted directly to the approval authority.

b. For liability in any amount and prior to submission to the approval authority, a copy of the report will be given to each person against whom liability is recommended. The person will receive written notice (by memorandum) of the type and amount of liability recommended and will be advised of consequences, if approved, and their rights to—

(1) Include a written statement in the report on the recommendation of financial liability.

(2) Inspect and copy records related to the liability.

(3) Seek legal advice from the servicing legal officer.

(4) And submit a rebuttal to the investigator based on new evidence or on evidence not considered previously—

(a) Within 7 calendar days from date of receipt if the individual is served in person;

(b) Within 15 calendar days of the date of delivery by certified or registered mail if the individual is unavailable but in the same country; and

(c) Within 30 calendar days from the date of delivery by certified or registered mail if the individual is unavailable and in a different country.

M-4. Rebuttals

a. If no rebuttal is received, the completed report will be submitted to the approval authority.

b. If a rebuttal is submitted within the allotted time, the investigating official will consider any new or additional evidence and take one of the following actions:

(1) Let the original recommendation stand.

(2) Reduce the recommended amount of pecuniary liability.

(3) Recommend relief from accountability or responsibility.

c. Rebuttal statements and final action by the investigating official will be enclosed with the original report and submitted to the servicing legal officer for review prior to review of the approval authority.

d. Rebuttals received after the allotted time will be considered and submitted through legal channels to the approval official.

Section II

Approval and Appeal Authority, Reconsiderations and Appeals, and Final Actions

M-5. Approval authority

The approval authority will review the report and rebuttal, if submitted, and take one of the following actions:

a. Return the report to the investigating official for additional information.

b. Order an AR 15-6 investigation and appoint an investigating officer.

c. Approve the report recommendations.

d. Disapprove the report recommendations and take other action.

e. Assess pecuniary liability, considering the basic pay of affected individuals. Assessments may be prorated over a reasonable period of time.

M-6. Liability assessment

Individuals assessed liability as a result of an investigation will receive notification of collection and a copy of the final report, delivered by mail or messenger with a signed receipt guarantee. Included are—

a. The amount of liability assessed, terms of payment and intention to collect.

b. A listing of individual rights, including the right to—

(1) Inspect and copy relevant records.

(2) Obtain legal advice from the SJA.

(3) Request reconsideration based on evidence not previously considered, new evidence, or legal error. Reconsiderations will be submitted through command channels to the approval authority, within 30 days from receipt of notification.

(4) Request an extension of the payment period within 30 days from receipt of notification.

(5) Request remission or cancellation of the debt under the provisions of AR 600-4 (for enlisted personnel).

(6) Submit an application to the Army Board for the Correction of Military Records under the provisions of AR 15-185 (for all military personnel).

M-7. Reconsideration

The approval authority will review reconsideration and take one of the following actions:

- a. Affirm the original decision.
- b. Reduce the amount of pecuniary liability assessed.
- c. Notify the individual of relief from accountability or responsibility.

M-8. Appeals

a. If reconsideration does not result in relief from accountability or responsibility, the reconsideration will become an appeal, and the approval authority will submit the complete report by memorandum to the appeal authority (next higher authority).

b. The memorandum referring the report to the appeal authority will specify dollar amounts of liabilities assessed and the basis for the decision.

M-9. Appeal authority

- a. The appeal authority will request a second legal review.
- b. If not legally sufficient, the opinion will state the reasons why and will make appropriate recommendations.
- c. The appeal authority will review the case and SJA recommendations and take one of the following actions:
 - (1) Affirm the approval authority's decision.
 - (2) Direct the approval authority to reopen the investigation to clarify any matters specified by the appeal authority.
 - (3) Reduce assessed amount of pecuniary liability.
 - (4) Relieve any/all concerned of accountability or responsibility.

M-10. Final actions

The original report and all related documents will be returned to the approval authority with a memorandum that—

- a. Specifies final action on the appeal.
- b. Directs the approval authority to notify the individual of the final action.
- c. Gives instructions for refunding amounts already collected for those assessment decisions that are reversed.

Section III

Collections of Liability Assessments

M-11. Collections

The preferred method of collecting liability assessments is a voluntary negotiated agreement for payment made in a single cash transaction, where possible, or regular partial payments over a reasonable period of time. If a voluntary agreement cannot be negotiated, procedures specified in chapter 16 will be used. If neither of the above is successful, involuntary pay deduction will be initiated in accordance with the following procedures, as appropriate.

a. *Military personnel.* The fund manager/entity administrator will provide the finance office/defense accounting office (FO/DAO) with a copy of the complete report and DFAS will process the debt per AR 37-104-4 (active). Enlisted soldiers may seek cancellation or remission of indebtedness under AR 600-4. If the individual is in the process of being separated and the debt is not paid, the debt will be considered in settlement of final pay.

b. *NAF employees.* Payroll deductions will be per AR 215-3. The fund manager/entity administrator will forward a copy of the collection notification sent to the employee to the payroll office unless there is an appeal. The amount deducted in any one pay period must be reasonable in terms of net pay and, generally, should be sufficient to satisfy the debt in 5 to 10 pay periods.

c. *APF civilian employees.* A copy of the complete report of investigation will be forwarded to the employee's supervisor who, in turn, may refer it to the servicing CPAC for action under appropriate civilian personnel regulations.

d. *Other persons.* Collections will be processed as claims in favor of the United States under the provisions of AR 27-20 and this chapter or under terms of an applicable contract.

M-12. Processing payments

The claiming NAFI/garrison MWR operating entity will receive any recovered debt payments from DFAS. Where ACIF has made insurance payment on a claim, ACIF is entitled to first right of recovery as stated in chapter 19, and any claim payments received from DFAS by the claiming NAFI/entity will be sent to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-FM), 4700 King Street, Alexandria, VA 22302-4406.

Appendix N

Management Control Evaluation Checklist

N-1. Function

The function covered by these checklists is the administration, operation, and management of MWR programs and NAFIs.

N-2. Purpose

a. The purpose of these checklists is to assist IMCOM Regions and installation/garrison personnel responsible for the following programs in evaluating key management controls related to the areas listed in paragraph N-4:

- (1) MWR programs and NAFIs in administering APF and NAF resources.
- (2) MWR program reporting requirements.
- (3) Managing MWR programs.
- (4) Other NAFIs.

b. Many of the questions are also pertinent to NAFIs other than military MWR programs.

c. These checklists are not intended to cover all controls.

N-3. Instructions

Answers must be based on actual testing of key management controls, such as document analysis, direct observation, interviewing, sampling, and simulation. Answers that indicate deficiencies must be explained and corrective action must be indicated in supporting documentation. These management controls must be evaluated at least once every 5 years. Certification that this evaluation has been conducted must be accomplished on DA Form 11-2 (Internal Control Evaluation Certification). More frequent use of these checklists may be required based on the Installation Management Control Plan and local risk assessment.

N-4. Test questions

Key management control evaluation checklists can be found for the following areas at the FMWRC Web page, http://www.army.mil/fmwrc/checklist_fmwr.htm. Click #4 checklists, then click assorted checklists:

- a.* Amusement and Vending Machine Operations.
- b.* Banking Operations.
- c.* Cash Management.
- d.* Marketing.
- e.* NAF Major Construction.
- f.* Sustainment, restoration, and modernization.
- g.* Planning & Budgeting.
- h.* Sales Accountability.
- i.* Youth Services.
- j.* MWR BRAC process.
- k.* Armed Forces Recreation Centers.
- l.* Army Recreation Machine Program.
- m.* Business Programs Branded Theme Concepts.
- n.* Commercial Sponsorship.
- o.* Other MWR program areas.

N-5. Supersession

This checklist replaces the checklists for the administration, operation, and management of MWR programs and NAFIs previously published in AR 215-1, dated 15 August 2005.

N-6. Comments

Help make this a better tool for evaluating management controls. Submit comments to the Commander, Family and Morale, Welfare and Recreation Command (IMWR-IR), 4700 King Street, Alexandria, VA 22302-4410.

Glossary

Section I

Abbreviations

A&R

athletic and recreation

AAFES

Army and Air Force Exchange Service

ABIF

Army Banking and Investment Fund

ACIF

Army Central Insurance Fund

ACRC

Army Combat Readiness Center

ACS

Army Community Service

ACSIM

Assistant Chief of Staff for Installation Management

ACTEDS

Army Civilian Training and Education Development System

ACV

actual cost value

ACWF

Army Civilian Welfare Fund

AD

active duty

AEI

Architectural and Engineering Instructions

AFA

Army flying activities

AFAP

Army Family Action Plan

AFE

Armed Forces Entertainment

AFRC

Armed Forces Recreation Center

AFRTS

Armed Forces Radio and Television Service

AGL

above ground level

AIFA

AAFES Imprest Fund Activities

ALR

Army-level requirements

AMC

Air Mobility Command

AMWRF
Army Morale, Welfare, and Recreation Fund

ANSI
American National Standards Institute

APF
appropriated fund

APO
Army Post Office

ARM
Army recreation machine

ARMP
Army Recreation Machine Program

ARMTF
Army Recreation Machine Trust Fund

ARNG
Army National Guard

ARSTAF
Army Staff

ASA (FM&C)
Assistant Secretary of the Army (Financial Management and Comptroller)

ASA (I&E)
Assistant Secretary of the Army (Installations and Environment)

ASA (M&RA)
Assistant Secretary of the Army (Manpower and Reserve Affairs)

ASIP
Alcohol Sellers Intervention Program

ASME
American Society of Mechanical Engineers

ASPSO
activity sport parachuting safety officer

AT
annual training

ATF
alcohol, tobacco, and firearms

BBM
borrowed military manpower

BCT
basic combat training

BOD
board of directors

BOSS
Better Opportunities for Single Soldiers

BRAC
base realignment and closure

CAC
Community Activity Centers

CAO
central accounting office, officer

CBA
centrally billed account

CCB
Configuration Control Board

CD
compact disk

CDC
child development center

CDS
Child Development Services

CFR
Code of Federal Regulations

CG
commanding general

CID
Criminal Investigation Division

CIO
Chief Information Officer

CIRB
Capital Investment Review Board

CJA
claims judge advocate

CLEOS
CYS liaison, education, and outreach services

COD
Community Operations Division

CONUS
continental United States

CPAC
Civilian Personnel Advisory Center

CPMC
capital purchases and minor construction

CPOC
Civilian Personnel Operations Center

CPS
Customer Payment Solution

CRC
community recreation center

CTA
common table of allowance

CTO
commercial travel office

CTS
commercial travel services

CYSS
Child, Youth, and School Services

DA
Department of the Army

DAR
daily activity report

DCS, G-1
Deputy Chief of Staff, G-1

DCS, G-3
Deputy Chief of Staff, G-3

DEH
Director of Engineering and Housing

DFAS
Defense Finance and Accounting Service

DG
design guide

DLA
Defense Logistics Agency

DOD
Department of Defense

DODI
Department of Defense instruction

DOIM
Director of Information Management

DOL
Director of Logistics

DPW
Director, Public Works

DRM
Director of Resource Management

DRMO
Defense Reutilization and Marketing Office

DSN
Defense Service Network

DZSO
drop zone safety officer

EA
Enterprise Architecture

EA-CCB
Enterprise Architecture Configuration Control Board

ECECS
executive control and essential command supervision

E-E
emergency-essential

EO
Executive Order

ER
evaluation report

EXCOM
Executive Committee

FAA
Federal Aviation Administration

FAD
funding authorization document

FAO
finance and accounting office

FAR
Federal Aviation Regulations

FB&E
food, beverage, and entertainment

FCC
Family Child Care

FDIC
Federal Deposit Insurance Corporation

FICA
Federal Insurance Contribution Act

FMD
Financial Management Division

FMWRC
Family and Morale, Welfare and Recreation Command

FPCON
forces protection conditions

FPM
Federal Personnel Manual

FTS
full-time support

GDPR
Global defense posture realignment

GM
general manager

GSA
General Services Administration

HAZMAT
hazardous material

HQ
Headquarters

HQDA
Headquarters Department of the Army

IBA
individually billed account

IFR
Instrument flight rules

IMCOM
Installation Management Command

IOD
Institute of Directors

IRS
Internal Revenue Service

ISPSO
installating sport parachuting safety officer

ITR
Information, Ticketing, and Registration

JFTR
Joint Federal Travel Regulations

JTR
Joint Travel Regulations

LHWCA
Longshore and Harbor Workers' Compensation Act

LOSS
line of sight supervision

LTS
Leisure Travel Services

MACOM
major Army command

MAR
machine activity report

MCA
Military Construction, Army

MDEP
management decision evaluation packages

MILCON
military construction

MILDEP
military department

MIS
management information system

MOA
memorandum of agreement

MOS
military occupational specialties

MOU
memorandum of understanding

MPA
Military Personnel, Army

MS/T
middle school/teen

MTOE
modified table of organization and equipment

MTV
military travel vouchers

MWR
morale, welfare, and recreation

NAF
nonappropriated fund

NAFI
nonappropriated fund instrumentality

NAFMC
nonappropriated fund major construction

NCO
noncommissioned officer

NCUA
National Credit Union Administration

NTSB
National Transportation Safety Board

NYSCA
National Youth Sports Coaches Association

OACSIM
Office of the Assistant Chief of Staff for Installation Management

OCONUS
Outside the continental United States

OPM
Office of Personnel Management

OSD
Office of the Secretary of Defense

PAO
public affairs office

PCS
permanent change of station

PIF
pilot information file

PL
Public Law

PO
private organization

POC
point of contact

POL
petroleum, oil, and lubricants

POM
program objective memorandum

POV
privately owned vehicle

PPV
public-private venture

PRD
personnel requirements document

PSSA
Pool and Spa Safety Act

PVA
project validation assessment

PVR
post-construction validation review

QCCS
Child Development Services

QDPC
Soldier MWR

QOL
quality of life

QYDP
Youth Services

R&R
rest and recreation

RC
Reserve Component

RIMP
U.S. Army NAF Risk Management Program

ROA
report of availability

ROI
return on investment

ROTC
Reserve Officers' Training Corps

RV
recreation vehicle

RV/CG
recreational vehicle/campground

S&F
sports and fitness (Youth Services)

SA
Secretary of the Army

SAS
School Age Services

SFAC
Soldier and Family Assistance Center

SFR EXCOM
Soldier Family Readiness Executive Committee

SFRBOD
Soldier Family Readiness Board of Directors

SIM
Skydiver Information Manual

SIR
serious incident report

SJA
staff judge advocate

SM
supplemental missions

SNN
standard nonappropriated fund instrumentality number

SOFA
status of forces agreement

SOP
standard operating procedure

SRM
sustainment, restoration, and modernization

SSE
self-sufficiency exemption

SSN
social security number

TCP/IP
transmission control protocol/internet protocol

TDA
tables of distribution and allowances

TDY
temporary duty

TJAG
The Judge Advocate General

TOE
table of organization and equipment

TPC
total project cost

TRADOC
U.S. Army Training and Doctrine Command

UFM
uniform funding and management

USA
utilization, support, and accountability

USAAA
U.S. Army Audit Agency

USACE
U.S. Army Corps of Engineers

USAR
U.S. Army Reserve

USBC
U.S. Bowling Congress

USC
United States Code

USCF

U.S. Chess Federation

USD(C)

Under Secretary of Defense (Comptroller)

USGA

United States Golf Association

USLGA

United States Lifeguard Association

USMA

U.S. Military Academy

USO

United Services Organization

USPA

United States Parachute Association

VFR

visual flight rules

VIN

Vehicle Identification Number

VTO

virtual ticket office

WCAP

World Class Athlete Program

YES

Youth Education Support

YS

Youth Services

Section II**Terms****Accountable officer**

Person officially appointed in writing by proper authority, to maintain a formal set of accounting records of property or funds. This person may or may not have physical possession of the property or funds. Supervises the preparation, maintenance, and management of the document/voucher register, regardless of the physical location of the registers.

Actual cash value

The replacement cost of the property at the time of loss less depreciation. Sentimental, historical, or similar factors do not increase the value of property for insurance purposes.

Agreed amount

A stated value of insured property, the full amount of which is payable if a total loss happens.

Alcohol beverage

Potable beverage containing any amount of ethyl alcohol. This includes wines, malt beverages, and distilled spirits.

Alphanumeric

Consisting of numbers and letters.

Alteration

Change to interior or exterior facility arrangements to improve use of the facility for its current purpose. This includes installed equipment made a part of the existing facility. Additions, expansions, and extensions are not alterations.

Appeal authority

The next higher authority over the approving authority. The garrison commander if the approving authority is the Director, FMWR. The appeal authority may not act as both the approving and appeal authority. A person who had personal responsibility or accountability for the property listed on a report will not act as appeal authority. In such cases, the next higher authority will be the appeal authority. The appeal authority takes final action on requests for reconsideration when the investigation of property loss approval authority denies relief of financial liability against an individual, and acts on requests for remission or cancellation of indebtedness.

Appropriated funds

Monies made available to the MILDEPs by the Congress of the United States. Such appropriations are of two types: annual and multi-year. The purposes for which these funds are appropriated are specified by Congress in its appropriation acts.

Approving authority

Army officer or DA civilian employee authorized to appoint an investigating officer and approve investigations of property loss. Next higher authority over the fund or entity manager/investigating officer. No person may act as an approving authority who has personal responsibility for the property listed on a report at the time that property became lost, damaged, or destroyed. In such cases, the next higher authority in the chain of command will act as approving authority.

Army Lodging Program

APF mission function activities operated primarily to provide short-term accommodations for TDY and PCS personnel. Includes both unaccompanied personnel housing (TDY) housing and guest houses. The APF mission is supplemented with NAFs generated through service charges to support authorized NAF expenditures. Army lodging is a non-MWR program.

Army MWR Fund

Army central nonappropriated fund managed by FMWRC that provides up to 90 percent of funds for approved NAF major construction and supports other Armywide MWR programs. Successor to all IMCOM Region single MWR NAFIs.

Army Recreation Machine installation

Any installation, at which recreation machines are located.

Army Recreation Machine key control custodian

Individual officially designated to control, safeguard, and secure keys to amusement and vending machines or recreation machines and stands.

Army Recreation Machine Program (ARMP) field office

The ARMP management organization that is responsible for day-to-day recreation machine activities in a designated geographic area.

Au pair

A young adult, 18–26 years of age, from another country, accepted by a State Department-approved au pair organization, who is afforded the opportunity to learn and live with a military Family within the United States while attending an accredited post-secondary institution of higher education for not fewer than 6 hours of academic credit or its equivalent. The host Family assumes responsibility for the au pair's room and board, remuneration for childcare services provided, and other contractually agreed upon expenses for the duration of a minimum period of 12 months as required by the State Department.

Automated cash machines

A machine that cashes out funds on slot machine smart cards.

Bona fide guest

A person who is actually a houseguest, or a person whose presence as a guest is in response to an invitation for a specific occasion and for whom the host is willing to assume responsibility, including payment for services and products received.

Borrowed military manpower

Use of military manpower from a TOE unit to perform duties in a TDA activity where a MACOM-approved manpower requirement exists but for which no manpower space has been authorized. Borrowed military manpower may be employed in those cases where manpower spaces have been authorized, but the positions are vacant. See also special duty and troop diversion.

Budget approval

Approval by the IMCOM Region garrison MWR operating entity Operating, CPMC, cash and APF/NAF budgets. This is the financial review that constitutes approval to expend NAFs, except for major construction which requires congressional approval.

Capital expenditure

Purchase or construction of a fixed asset.

Capital purchases and minor construction

a. Capital purchases. Items costing \$2,500 or more with a life expectancy of 2 years or longer (see DFAS-IN 37-1 Regulation, Chapter 32 for bulk purchase of like items).

b. Minor construction. Any project over \$2,500 and less than \$750,000, which includes new work.

Cash (drop) box

A container secured within a recreation machine that accumulates the cash revenues for later collection, count, and deposit.

Cash collection (drop)

The activity in which coins are periodically collected from the cash boxes, counted, and funds deposited. Representatives from FMWRC and the NAFI are required to participate in the process.

Casualty insurance

Insurance, which covers a liability imposed on the organization through legal determination or through the acts of one's employees. Included are general or tort liability, automobile and aircraft liability, workers' compensation, and fidelity losses.

Celebration

Also an event. Joyful occasion for special festivities to mark some happy event; celebrations are considered open to the public and MWR events.

Ceremony

Formations and movements in which a number of troops execute movements in unison and with precision just as in drill; however, their primary value is to render honors, preserve tradition, and stimulate esprit de corps.

Commercial insurance

Transfer of risk to a commercial or State corporation through the purchase of an insurance contract. The terms of the contract establish the conditions of acceptance by the insurer and the degree of risk transferred.

Commitment

An administrative reservation of funds against a future obligation.

Community

As used overseas, synonymous with the term "garrison" or "installation."

Concessionaire

Entrepreneur under contract to a NAFI for the purpose of providing services typically for resale by the concessionaire to authorized MWR patrons.

Construction

The erection, installation, or assembly of a new facility; the acquisition, expansion, extension, alteration, or replacement of an existing facility; the relocation of a facility from one installation to another; installed equipment made a part of the facility and the related site preparation, excavation, filling, landscaping, or other land improvements.

Construction Requirements Review Committee

A HQDA committee that provides an Armywide perspective to all military construction programs.

Consumable

Any item or article that is consumed or used up in the course of serving its intended purpose. Includes, but is not limited to, all resale items, plastic glasses and cups, paper napkins, cleaning supplies, postage stamps, and aviation fuel.

Container

Commercial or Government-owned shipping containers that are moved via ocean transportation. Such containers are lifted on and off the ship.

Continental United States

The United States territory, including the adjacent territorial waters, located within North America between Canada and Mexico. Also called CONUS.

Contingency

An emergency involving military forces caused by natural disasters, terrorists, subversives, or by required military operations. Because of the uncertainty of the situation, contingencies require plans, rapid response, and special procedures to ensure the safety and readiness of personnel, installations, and equipment.

Controlled equipment

Items that cost \$50 or more but that do not meet criteria of fixed asset accountability. Controlled equipment is not capitalized but accounted for on property control records. Items with a unit cost of less than \$50 are not subject to property control except for sensitive items.

Conversion

Work required to adjust interior arrangements or other physical characteristics of an existing facility, or part of a facility, so it may be used for a new purpose. This includes equipment installed in, and made a part of, the existing facility. A conversion always results in a change in facility category code.

Coordinating installation

An installation, which is assigned responsibility for coordinating specific types of intra-service support within a prescribed geographical area. It is not necessarily the supporting installation. It is the installation to contact to determine what installation provides support.

Current assets

Cash and other assets that may be converted to cash or sold or consumed for cash within a year or less through the normal business operations.

Current liabilities

Obligations due within a year and are to be paid from current assets.

Defense Attaché Office

A DOD organization established as part of a U.S. diplomatic mission, through which the mission of the Defense Attaché System is accomplished. The Defense Attaché System is operated by the Defense Intelligence Agency. The Secretary or Deputy Secretary of Defense may direct the assignment or attachment of other military detachments or elements to a Defense Attaché Office (DODD 5132.12).

Dependent

See Family member.

Direct expense

Any costs incurred for the benefit of and traceable to a specific program or activity.

Dispense

Selling by the drink or a group of separate drinks. Included in dispensing is the sale of wine by the bottle for consumption on the premises.

DOD component

Any of the MILDEPs, DOD agencies, the AAFES, and the OSD.

DOD newspapers

Authorized publications that support DOD command information requirements, such as—

- a. Civilian enterprise newspapers published by commercial publishers under contract to DOD Components or subordinate commands, where the news and editorial content is prepared by the PAO staff. Advertising is sold by the publisher on the same basis as other commercial newspapers. They become property of the command, installation, or intended recipient upon delivery in accordance with terms of the contract.
- b. Funded newspapers published by DOD Components or their subordinate commands using APFs. Normally, the editorial content is prepared by the PAO staff. These newspapers are usually printed under contract by a commercial publisher in accordance with DOD or component printing regulations. No paid advertising is displayed.
- c. Overseas Unified Command newspapers provide world, U.S., and regional news from commercial sources, plus syndicated columns, editorial cartoons, and applicable U.S. Government, DOD Component, and subordinate command news and information. Includes the "Stars and Stripes." Paid advertising must be from companies whose merchandise, goods and services are sold in exchanges, commissaries, or MWR programs.

d. News bulletins and summaries published by isolated commands and ships. Compiled from national and international news obtained from authorized sources. News bulletins or summaries may be authorized by the next higher echelon of command when no daily English-language newspapers are readily available.

DOD personnel

Active duty military personnel, retired military, reservists, and DOD civilian employees paid from APFs or NAFs.

Durable supply items/property

Items/personal property that is not consumed in use and does not require property book accountability, but because of its unique characteristics requires control when issued to the user.

Elements of expense/resource

Specific types of resources consumed in or applied to MWR programs in the execution of MWR programs. Appendix D identifies operating and support costs as to purpose, as differentiated from fund fiscal administration (DFAS-IN 37-1 Regulation, Chapter 32).

Emergency

Circumstances which exist whenever there is an immediate, unforeseeable, temporary need to provide home to work transportation for those employees who are critical to the performance of the agency's efficient operation.

Entity administrator

An individual appointed by written authority to a post of responsibility and trust to exercise administrative and management control of the garrison MWR operating entity and chartered with accountability for the NAF resources thereof.

Essential feeding

Food service provided by a club during mobilization and emergencies.

Excess foreign currencies

Currencies of countries held by the U.S. Treasury in excess supply for all U.S. Government needs and periodically declared to the Office of Management and Budget by the U.S. Treasury as excess. The lists of countries are transmitted to DOD Components from time to time by appropriate DOD issuances.

Exchange student

A student from another country, accepted by a school-sponsored exchange student program, afforded the opportunity to learn and live with a military Family within the United States while attending school for one academic year or semester. The host Family assumes responsibility for the student's room and board. The student's parents provide the student with an appropriate allowance. Payment for round-trip airline tickets issued for the student's final destinations and medical coverage for the entire duration of the child's stay with the military Family in the United States are determined by the school-sponsored program.

Exchanges

MWR program, which provides reimbursable goods and services to authorized patrons and funds to support other designated MWR programs. Exchange programs include, but are not limited to, motion pictures, retail stores, gasoline filling stations, package beverage stores, car washes, laundries, bookstores.

Executive control and essential command supervision

Those managerial staff functions and positions located above the direct program managerial and operational level of individual MWR programs that support planning, organizing, directing, coordinating, and controlling the overall operations of MWR programs and activities. ECECS consists of program, fiscal, logistical, and other management functions that are required to ensure oversight and that are separate from the daily working level activities and tasks of the MWR programs. ECECS does not include the direct operation of individual MWR programs and activities.

Expendable supplies/property

Items of supply/property with a limited life expectancy that lose their identity after use over a short period of time.

Expenses

Costs that have been consumed or realized in the process of current operations or the production of revenue or income.

Facility improvement project

NAF major construction or CPMC project involving a scope of work that will produce a complete and usable improvement to an existing facility. The scope of work includes construction, sustainment, renovation, and modernization, and furnishings and equipment (each separately budgeted/funded) included in the overall improvement plan. A facility im-

provement project normally involves some construction or structural change to an existing facility, such as addition or removal of walls, doorways, etc., as opposed to the normal replacement of individual fixed assets.

Facility manager

Annex or activity manager of the location where the Army recreation machines are installed.

Family member

Includes the following definitions:

- a. Spouse of a sponsor.
- b. Un-remarried widow or widower of a member or former member of a uniformed service.
- c. Unmarried child of a sponsor, including an adopted child, stepchild, foster child, or ward, who either—
 - (1) Has not passed his/her 21st birthday.
 - (2) Is incapable of self-support because of a mental or physical incapacity that existed before that birthday and is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for over one-half of his/her support.
 - (3) Has not passed his/her 23rd birthday, is enrolled in a full-time course of study in an institution of higher learning approved by a Secretary of an executive department specified in 10 USC Section 1073, and is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for over one-half of his/her support.
- d. Parent or parent-in-law of a sponsor who is (or was at the time of the member's or former member's death) in fact dependent on the sponsor for one-half of his/her support and residing in the sponsor's household.

Financial management

Aspect of total management that provides direction, guidance, and control of financial operations to achieve program objectives by planning, budgeting, accounting, reporting, managing resources, auditing, analyzing, and evaluating.

Fixed assets

Commonly referred to as property, plant, and equipment. Fixed assets include capital assets such as buildings, equipment, furniture, fixtures, tools, and machinery. Intangibles are excluded from this category. Fixed assets are defined as property, plant, and equipment purchased, donated, or transferred to a NAFI that have an expected life of two or more years and a cost of \$2,500 or more. (See DOD 1015.15 and DFAS-IN 37-1 Regulation, Chapter 32 for a more detailed definition.)

Flexible employee

An employee serving in an indefinite position on either a scheduled or an as needed basis. There is no upper limit to the hours a flexible employee may work (subject to overtime obligations and work scheduling requirements).

Foreign areas

All areas outside the 50 States, Puerto Rico, and the possessions of the United States, including the Trust Territory of the Pacific Islands.

Foreign goods

Goods produced or manufactured in a foreign country and physically located outside the United States, its possessions, or Puerto Rico, or in bonded warehouses or foreign trade zones within the United States, its possessions, or Puerto Rico. This excludes the acquisition of foreign-made or -produced merchandise from sources within the United States.

Foreign national employee

A citizen of an overseas host country or other foreign country who is employed by a NAFI and receives compensation from NAFs.

Foster child

A child, other than a sponsor's natural child, who resides in a sponsor's home, and whose care, comfort, education, and upbringing have been entrusted to the sponsor on a temporary or permanent basis by a court or civilian agency, or by a natural parent of the child.

Foster Grandparent Program

A program that offers low-income persons age 60 and over the opportunity to provide individualized attention to children with special and exceptional needs, including those who are neglected, abused, or developmentally disabled.

Fraud

The act of willfully taking or attempting to take unfair advantage of a NAFI. Fraudulent acts include, but are not limited to, offering or paying bribes; making false statements; submitting false claims; misusing NAF property; using false weights or measures; deceit, either by suppression of the truth or misrepresentation of a fact; adulteration or substitution

of material; falsification of records; arrangements for secret profits or commissions; unauthorized use of, irregularities in connection with, or improper accounting for an imprest or petty cash fund, or conspiracy to commit any of these acts.

Free fall

Any fall without an open parachute or jump in which the parachute is opened by means other than a static line.

Full-time support

Encompasses personnel assigned on a full-time basis for the purposes of organizing, administering, recruiting, instructing, or training the ARNG and USAR. These personnel include civilian personnel, members of the Active Army, and personnel serving on Active Guard Reserve status. The Active Guard Reserve Program is a component of the Full-Time Support Program.

Fund manager

An individual appointed by written authority to a post of responsibility and trust to exercise administrative and management control of a NAFI and chartered with accountability for the NAF resources thereof. The fund manager is the official fund custodian of a NAFI.

Garrison commander

For purposes of this regulation, garrison commanders are responsible for MWR and Family programs. For the purposes of this regulation, Area Support Commanders are also considered garrison commanders, unless otherwise designated by the Commander, IMCOM. Armed Forces Recreation Center and the Army Recreation Machine Program General Managers are considered garrison commanders for the purposes related to their operations.

Garrison MWR operating entity

An integral part of the Region single MWR fund. The term refers to the group of MWR programs offered at the installation and which fall within the garrison commander's responsibility. (Previously referred to as the Installation MWR Fund.)

Government property

Property owned by and on the property records of the U.S. Government and acquired with APFs, as a gift, or as an authorized transfer of NAFI property to Government property records.

Grey area gambling devices

Certain machines or equipment that are recognized as gambling devices under the provisions of 15 USC 1171 and 1175.

Hand receipt

A signed document acknowledging acceptance of and responsibility for items of property listed thereon that are issued for use and are to be returned.

Improvements and betterments

Modifications (such as fixtures, alternations, installations, and additions that become a permanent part of a building) to a used building which is not insurable. (Examples are new plumbing, new partitions, new storefronts, permanent wood paneling, and new rooms.) Improvements and betterments must be a major alteration, must change the building, and must increase its value. Recovery is based on the amount of money spent for improvements and will not decrease or increase. The installation of trade fixtures (such as removable showcases), maintenance (such as painting), or repairs to a building are not improvements.

Individual Ready Reserve

Includes all members of the Ready Reserve not in the Selected Reserve. Members in the Individual Ready Reserve are not required to perform scheduled training but are required to report for muster annually.

Information technology

Any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. Equipment is used by an executive agency if the equipment is used directly or is used by a contractor under a contract with the executive agency, which requires the use of such equipment, or requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product. Includes computers, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Notwithstanding the above, the term "information technology" does not include any equipment that is acquired by a Federal contractor incidental to a Federal contract.

Installation commander

Refers to the commander of an installation or military community.

Installation Management Command

A Direct Reporting Unit of the ACSIM, established with six IMCOM Regions. The IMCOM manages Army installations worldwide to support mission readiness and execution; funds garrison; enables the well-being of Soldiers, civilians, and Family members; improves infrastructure and preserves the environment; and serves as Executive Secretary for Installation Management Board of Directors.

Inventory

Goods or merchandise on hand for resale; individual items of property for which the NAFI is accountable; the sum total of all property owned or controlled by the NAFI. When used as a verb, refers to the periodic physical count and records reconciliation required in the control of NAFI property resources.

Investigating officer

Appointed by the approving authority. For NAF property, the investigating officer may be civilian (APF or NAF) or military, and is appointed under the provisions of AR 735-5 or where applicable under AR 15-6.

Joint NAFI

NAFI established by agreement between the SecArmy and the Secretaries of other MILDEPs in which each department shares in the NAFI's financial support, management policies, and total operation.

Key control custodian

Individual officially designated to control, safeguard, and secure keys to machines and stands.

Locally generated income

Income to a NAFI generated from the sale of goods and services, and the collection of fees.

Long-term liabilities

Obligations that will not come due within a year.

Loss

An actual reduction in the value of property or net worth through physical damage or destruction, disappearance, theft, or robbery; or the legal determination of liability to pay.

Maintenance

Work required to preserve and maintain a real property facility in such condition that it may be used effectively for its designated functional purpose. Maintenance includes work done to prevent damage, which would be more costly to re-store than to prevent. Maintenance includes work to sustain components. Examples include renewal of disposable filters, painting, caulking, refastening loose siding, and sealing bituminous pavements.

Major Army command

A command directly subordinate to, established by authority of, and specifically designated by Headquarters, Department of the Army. Army component commands of unified and specified commands are major Army commands.

Major construction

All NAF-funded real property sustainment, renovation, and modernization and construction projects costing over \$750,000; all APF-funded projects costing \$1 million or more.

Malt beverage

An alcoholic beverage obtained by fermentation of a malted cereal, with or without adding other starchy material. Malt beverages include beer, ale, and malt liquor.

Manager

An individual who has responsibility for a program, subprogram, or facility connected with the MWR program. Also includes key personnel in Financial Management and Services elements of MWR programs.

Managerial functions

Planning, organizing, directing, coordinating, and controlling individual MWR program functions/activities/facilities at a level below that of direct command or supervisory management. Normally includes responsibility for developing and submitting input to those in a position of direct command or supervisory management. Examples of managerial positions are club, riding stable, and child support facility manager; physical activity and child support service coordinator; arts and crafts, music and theatre, recreation center, child and youth services, sports, outdoor recreation, and library activity director.

Military banking facility

A banking office located on an Army installation and operated by a banking institution that is designated by the Treasury Department as a depository and financial agent of the U.S. Government and is authorized to provide commercial banking services to the military installation or community.

Military community

Includes U.S. military and Family members and DOD civilian population working and assigned to military installations. Also includes retired military and other authorized patrons identified in chapter 7.

Military construction

The program under which Army facilities are planned, programmed, designed, budgeted, constructed, and disposed of during peacetime and under mobilization conditions. The program also includes the acquisition of real estate and other supporting activities (see 10 USC 2801).

Military liaison teams

A generic term to describe DOD personnel serving in certain foreign countries (former Eastern bloc countries) with the mission of familiarizing host nation militaries with Western democratic practices. Also included in this term are technical assistance teams assigned to Embassies in support of a Unified Combatant Command mission.

Minor construction

Any NAF construction project costing between \$200,000 and \$750,000; any APF construction project costing \$750,000 to \$1 million.

Modernization

The alteration or replacement of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years (such as the framework or foundation).

MWR facility

A building, structure, land area, or other real property used primarily for MWR purposes.

MWR program or activity manager

A supervisory person responsible for an MWR programs or grouping of activities, to include planning, execution, review and analysis, and the integration and use of APF and NAF resources made available therefor.

MWR programs

Programs (exclusive of private organizations) on military installations or on property controlled (by lease or other means) by a MILDEP or furnished by a DOD contractor that provide for the esprit de corps, comfort, pleasure, contentment, as well as mental and physical productivity of authorized DOD personnel. They include recreational and leisure-time programs, self-development programs, resale merchandise and services, or general welfare programs outlined in this regulation.

NAF assets

Includes cash, securities, property, and any other items of value held by or on the property records of a NAFI.

NAF council

A representative body of active duty Soldiers or civilian employees appointed or elected to assist in the management of the NAFI and represent MWR program patron interests.

a. Governing council. A decision-making body that exercises general supervision for the commander and directs specific actions in the management of the NAFI.

b. Nongoverning council. A review body that recommends and reports to the garrison commander on general or specific matters concerning the management of the NAFI/entity. Retired and Family members may sit on NAF nongoverning councils.

NAFI representative

An employee of the NAFI who participates in the cash collection or maintenance process.

Nonappropriated fund instrumentality

A U.S. Government organization and fiscal entity that performs essential Government functions. It is not a Federal Agency. It acts in its own name to provide, or assist other DOD organizations in providing MWR and other programs for military personnel, their Families, and authorized civilians. It is established and maintained individually or jointly by two or more DOD components. As a fiscal entity, it maintains custody of and control over its NAFs, equipment, facilities, land, and other assets. It is responsible for the prudent administration, safeguarding, preservation, and maintenance of those APF resources made available to carry out its function. With its NAFs, it contributes to the MWR programs of

other authorized organizational entities, when so authorized. It is not incorporated under the laws of any State or the District of Columbia, but has the legal status of an instrumentality of the United States. NAFIs are not “persons” subject to federal trade and antitrust laws, and they are not subject to State regulation or control in the absence of specific authorization in a Federal statute.

Nonappropriated fund property

Property procured by, transferred, or donated to a NAFI and carried on NAF property records.

Nonappropriated funds

Cash and other assets derived from sources other than Congressional appropriations, primarily the sale of goods and services to DOD personnel and their Family members that are used by the NAFI to support or provide authorized programs. NAFs are Government funds used for the collective benefit of those who generate them. These funds are separate and apart from funds that are recorded in the books of the Treasurer of the United States.

Packaged beverage sales

Sale of alcoholic beverages in unopened containers for consumption at a location other than the place of sale.

Parachute demonstration

A parachute exercise designed to demonstrate proficiency and to support community relations or recruiting activities.

Parachute exercise

An authorized sport parachute jump, demonstration, or competition.

Pecuniary liability

The legal obligation of an accountable or responsible person to pay for the loss, damage to, or destruction of Government or NAF property due to personal negligence or misconduct, as determined by formal or informal investigation.

Personal property

Property of any kind or any interest therein, except real property and records of the Federal Government.

Port of debarkation

Authorized point of offloading from a vessel of U.S. and foreign goods.

Port of embarkation

Authorized point of loading onto a vessel of U.S. and foreign goods and services.

Premium

Any items with a value of less than \$20.00 provided without charge to advertise an activity, product, service, or event or to serve as an inducement to buy.

Preventive maintenance

Routine, recurring work performed on all real property facilities. Includes systematic inspection, care, and servicing of equipment, utility plants and systems, buildings, structures, and grounds facilities for detecting and correcting incipient failures and accomplishing minor maintenance.

Private organization

Self-sustaining and non-Federal entities, incorporated or unincorporated, which are operated on DOD installations with the written consent of the garrison commander or higher authority, by individuals acting exclusively outside the scope of any official capacity as officers, employees, or agents of the Federal Government.

Project approval

Conceptual and engineering approval of facility improvement projects. Accomplished by IMCOM Regions for projects up to \$750,000 and by FMWRC for projects over \$750,000. Project approval indicates that the project has been reviewed and approved for feasibility, need, and compliance with design and space requirements. It is not authority to expend funds, although project and budget approvals may occur simultaneously.

Property

Any tangible object that has value.

Quality of Life

The creation of an environment wherein programs, products, and services satisfy the fundamental physical, emotional, and growth needs of Soldiers, civilians, and their Families, thereby fostering readiness and retention.

Ready Reserve

Comprises military members of the Army National Guard of the United States and USAR, organized in units or as individuals, and liable for order to active duty in time of war or national emergency (10 USC Chapter 5). The Ready Reserve consists of three subcategories: Selected Reserve, Individual Ready Reserve, and Inactive National Guard.

Real property

Lands and improvements to land, buildings, and facilities, including improvements and additions, and utilities systems. It includes equipment affixed and built into the facility as an integral part of the facility (such as heating systems), but not movable equipment (such as plant equipment). Real property is divided into the four basic classes for accounting purposes. They include land; improvements to land; buildings and facilities (including installed building equipment); and utility distribution and sanitary systems.

Recreation machine

Electronic machine that accepts monetary payment for game play and provides for monetary payment of winning combinations.

Recreation machine change fund

Recommended amount of coins to be maintained by the NAFI facility to ensure availability of coins for pay by patrons.

Regular employee

Serves in a continuing position on a scheduled basis. Further categorized as regular full-time if the workweek is 40 hours; or, regular part-time if the workweek is from 20 to 39 hours. The minimum workweek for a regular part-time employee is 20 hours.

Replacement cost

The cost of repairing or replacing lost, damaged, or destroyed property.

Resale

Items of merchandise and/or services provided by MWR programs or concessionaires for sale to eligible patrons. Resale merchandise and services must be related to the purpose of the MWR program. With approval from AAFES, resale merchandise and services, listed in AR 215–8, may be provided by MWR programs. Specifically excluded from this definition are user fees, interest, and other sources of income not directly related to the sale or resale of merchandise and/or services.

Reserve Component

Consists of the USAR and the ARNG.

Restoration

The repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes to a condition so that it can be used for its designated purpose.

Retired military personnel

Includes all persons on the official retired lists of the uniformed Services who are retired with pay, granted retirement pay for physical disability, or entitled to retirement pay whether or not such pay is waived. Also includes members of the Retired Reserve not receiving pay but who have met the Service requirement for receipt of retired pay at age 60 (known as “gray” area retirees) and persons on the emergency officers’ retired lists of the Army, Navy, Air Force, and Marine Corps who are retired under 38 USC 106 and 909.

Scheduled maintenance

Systematic and periodic servicing and inspection of equipment and components to maintain operational efficiency and replace worn or failed parts. Scope and frequency of service should be based upon engineering judgment and past repair history with the objective of providing the most economical mix of preventive care, routine maintenance, and breakdown maintenance.

Security assistance organization

A DOD organization located overseas with assigned responsibilities for carrying out security assistance management functions. “Security assistance organization” is a generic term for organizations with various titles such as United States Military Group, Office of Defense Cooperation, Military Liaison Office, Joint United States Military Assistance Group, and Office of Military Cooperation. Security assistance organizations are assigned to U.S. Diplomatic Missions, under the direction and supervision of the Chief of Mission/Ambassador. Security assistance organizations also perform DOD missions such as armaments cooperation, exercise support, and theater engagement activities, in addition to their security

assistance program management functions. The Secretary or Deputy Secretary of Defense may direct the assignment or attachment of other military detachments or elements to a security assistance organization (DODD 5132. 12).

Selected Reserve

Consists of those units and individuals in the Ready Reserve, designated as so essential to the initial wartime missions that they have priority over all other Reserves. The Selected Reserve includes officers, warrant officers, and enlisted soldiers who are members of the Army National Guard of the United States, assigned to troop program units of the Army Reserve, serving on active duty (10 USC 12301(d)) or full-time duty (32 USC 502(f)) in an Active Guard Reserve status, and Individual Mobilization Augmentees.

Shipping container

A commercial or government-owned container that is used to hold cargo being shipped by ocean transportation, and capable of being lifted on and off of ships. Also known as a SEAVAN.

Single fund

A NAFI established for the purpose of providing installation and community MWR programs including food and beverage, retail, recreation, MWR recreational lodging, and community support services as outlined in this regulation.

Special duty

The performance of duty with an organization other than the unit to which assigned, while continuing to be administered and accounted for by the unit of assignment. Includes borrowed military manpower and troop diversion.

Sponsor

Primary person authorized to use an MWR program. A sponsor is normally the adult Family member who is also a service member.

Sport parachute jumpmaster

A person authorized by an installation commander to supervise jumps by sport parachutists.

Stand

A standard base for a recreation machine that contains the cash (drop) box.

Standard NAFI number

Alphanumeric code number assigned by FMWRC that uniquely and exclusively identifies the garrison, military community, or other location, type of fund, and other coded information.

Static line jump

A parachute jump in which the parachute is deployed by a static line attached to the aircraft.

Status of Forces Agreement

An agreement that defines the legal position of a visiting military force deployed in the territory of a friendly state. Agreements delineating the status of visiting forces may be bilateral or multilateral. Provisions pertaining to the status of visiting forces may be set forth in a separate agreement, or they may form a part of a more comprehensive agreement. These provisions describe how the authorities of a visiting force may control members of that force and the amenability of the force or its members to the local law or to the authority of local officials. To the extent that agreements delineate matters affecting the relations between a military force and civilian authorities and population, they may be considered as civil affairs agreements.

Successor (or successor in interest) NAFI

A NAFI designated by FMWRC to provide financial support and assistance to specified or assigned NAFIs, as required; receive and redistribute excess assets of its assigned NAFIs; and receive or distribute residual assets or assume residual liabilities of dissolved or disestablished NAFIs.

Supplemental mission funds

Nonappropriated funds generated from the operation of specific and unique situations that occur in support of an APF mission program. They include such funds as veterinary service funds, USMA athletic association funds, museum funds, Army Lodging funds.

Surviving Family members

Family members of a service member who died while on active duty or while in a retired status, who are dependent on the surviving spouse for over half their support.

Surviving spouse

A widow or widower who has not remarried or who, if remarried, has reverted through divorce, annulment, or the demise of the spouse, to an un-remarried status.

Sustainment

Includes the maintenance and repair portion of sustainment, restoration, and modernization (SRM) necessary to keep an inventory of facilities in good working order. It includes the regularly scheduled adjustments and inspections, preventative maintenance tasks, and emergency response and service calls for minor repairs. It also includes major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities. This work includes regular roof replacement, refinishing of all surfaces, repairing and replacement of heating and cooling systems, replacing tile and carpeting, and similar types of work. It does not include environmental compliance costs, facility leases, or other tasks associated with facilities operation (such as custodian services, grounds services, waste disposal, and the provision of central utilities).

Sustainment, restoration, and modernization

Applies to all real property regardless of appropriation. Generally, it replaces “real property maintenance, which normally only referred to work performed on real property using operations and maintenance funds. Sustainment maintains facilities in the current condition and includes regularly scheduled adjustment and inspections, preventative maintenance tasks, and emergency response for minor repair. It also includes major repairs or replacement of facility components that are expected to occur periodically throughout the life cycle of facilities (for example, roofs, heating/cooling systems, and so on). Restoration and modernization improve facilities and are accomplished primarily with military construction but can be done with operations and maintenance funding, depending on the amount of new construction work in the project (note: current work classification and funding constraints still apply). Restoration improves existing facilities to current standards while modernization adapts existing facilities to meet new standards, which support new missions or equipment.

Technical assistance field training personnel

A generic term used to refer to any DOD element deployed overseas in support of a Foreign Military Sales case. DOD elements include English Language Training Detachments and Extended Training Service Specialists. Security assistance organization chiefs supervise all security assistance teams.

Tenant unit

A military organization located at an installation assigned to and operated by a different MILDEP, or an organization located at an Army installation but assigned to a major Army command other than the one exercising command of the installation.

Troop diversion

Use of Soldiers, other than borrowed military manpower, to perform recurring duties with an organization or unit other than that to which assigned, while continuing to be administered and accounted for by the unit of assignment. See also special duty and borrowed military manpower.

U.S. citizen

One who, under the Constitution and laws of the United States, or of a particular State, is a member of the political community, owing allegiance and being entitled to the enjoyment of full civil rights. Citizenship is acquired by birth in the United States, by birth in U.S. territories, by birth outside the United States to U.S. parents, and by naturalization.

U.S. Parachute Association safety officer

An official appointed by the U.S. Parachute Association (USPA) area safety officer to be responsible for safety in a specific parachute activity.

Uniformed personnel

Members of the Army, Navy, Air Force, Marine Corps, and Coast Guard; Cadets and Midshipmen of the United States Military, Naval, Air Force, and Coast Guard academies; commissioned officers, ship’s officers, and members of the crews of vessels of the National Oceanic and Atmospheric Administration; commissioned officers of the Public Health Service; members of the Reserve Component while on extended active duty or annual training.

Uniformed services

Unless otherwise qualified, the Army, Navy, Air Force, Marine Corps, and U.S. Coast Guard; commissioned officers of the Public Health Service; active duty and retired commissioned officers; and members of the crews of vessels of the National Oceanic and Atmospheric Administration and its predecessors (the Coast and Geodetic Survey and the Environmental Science Services Administration).

United States Territories and Possessions

Includes Guam, the Commonwealth of Puerto Rico, the American Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Unoccupied

A building that contains its authorized furniture, fixtures, or stock but is otherwise unused.

Vending machine

A coin or currency operated machine which accepts cash and dispenses articles or services, except that machines providing services of a recreational nature, commonly referred to as amusement or gaming machines (jukeboxes, pinball machines, electronic game machines, pool tables, shuffle boards) as described in paragraph 8-8 of this regulation, and telephones are not considered vending machines.

Ward

A child, other than the sponsor's, or adult who resides in the sponsor's home and whose care has been entrusted to the sponsor by a court, or voluntarily assumed by the sponsor, because of age or a physical, mental, or emotional disability.

Water terminal clearance authority

An activity that controls and monitors the flow of cargo into ocean terminals. Also called release authority.

Watercraft

Recreational boats owned and operated by a NAFI.

Well-being

The personal-physical, material, mental, and spiritual-state of Soldiers, retirees, veterans, civilian employees, and their families that contributes to their preparedness to perform the Army's mission. Encompasses and expands on the concept of "quality of life."

Wind drift indicator

A device used to determine wind drift data without use of a human parachutist.

Within the United States

Includes the 48 CONUS states, Alaska and Hawaii; Puerto Rico, and other territories of the United States, having U.S. citizenship and delegates representing the territories in Congress. All other areas are considered outside the United States or foreign countries.

Witness

An MWR patron who attests to the validity of ARMP information collected by the cash collection team.

Section III**Special Abbreviations and Terms**

This section contains no entries.

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