

**BY ORDER OF THE SECRETARY
OF THE AIR FORCE**

AIR FORCE INSTRUCTION 34-301

24 JULY 2023



Services

**NONAPPROPRIATED FUNDS
PERSONNEL MANAGEMENT AND
ADMINISTRATION**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

ACCESSIBILITY: This publication is available for downloading or ordering on the e-Publishing website at www.e-Publishing.af.mil

RELEASABILITY: There are no releasability restrictions on this publication.

OPR: AF/A1CP

Certified by: SAF/MR

Supersedes: AFI 34-301, 1 July 2019

Pages: 27

This instruction implements Air Force (AF) Policy Directive 34-3, *Nonappropriated Funds Personnel Management and Administration*, and is consistent with Department of Defense Directive (DoDD) 1020.02E, *Diversity Management and Equal Opportunity (EO) in the Department of Defense*.

This instruction applies to Air Force nonappropriated fund employees. This publication does not apply to military members of the Regular Air Force; Air National Guard components; employees of private organizations; Department of the Air Force (DAF) appropriated fund civilian employees; independent contractors; individuals who work for contractors and concessionaires; certain local and third-country national employees; Army and Air Force Exchange Service employees; or United States Space Force (USSF), as the United States Air Force administers all nonappropriated fund instrumentalities on USSF installations. In collaboration with the Chief of Air Force Reserve (AF/RE) and Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel and Services (AF/A1) develops personnel policy for nonappropriated fund civilian positions. Refer recommended changes and questions about this publication to the office of primary responsibility listed above using the DAF Form 847, *Recommendation for Change Publication*; route DAF Forms 847 from the field through the appropriate chain of command. Ensure all records generated as a result of processes prescribed in this publication adhere to Air Force Instruction (AFI) 33-322, *Records Management and Information Governance Program*, and are disposed in accordance with the Air Force Records Disposition Schedule, which is located in the Air Force Records Information Management System. The authorities to waive wing or unit level requirements in this publication are identified with a Tier ("T-0, T-1, T-2, T-3") number following the compliance statement. See Department of the

Air Force Manual (DAFMAN) 90-161, *Publishing Process and Procedures*, for a description of the authorities associated with the tier numbers. Submit requests for waivers through the chain of command to the appropriate tier waiver approval authority or alternately to the requester/s commander for non-tiered compliance items. The reports in this manual are exempt from licensing in accordance with AFI 33-324, *The Air Force Information Collections and Reports Management Program*. This instruction requires the collection and or maintenance of information protected by the Privacy Act of 1974 authorized by Title 10 United States Code 9013, Secretary of the Air Force and Executive Order 9397, Numbering System for Federal Accounts Relating to Individual Persons, as amended. The applicable System of Records Notice, OPM/GOVT, *General Personnel Records* and F034 AF SVAB, *Non-appropriated Fund Civilian Personnel Records-Manpower*, are available at <https://dpcl.d.defense.gov/Privacy/SORNs.aspx>. This publication may not be supplemented or further implemented/extended.

SUMMARY OF CHANGES

This instruction has been substantially changed and must be completely reviewed. Major changes include: Inclusion of new DoD directives and instructions for Nonappropriated Fund employee, changes in office symbols, updates to responsibilities and authorities, and related publications.

| | |
|--|----------|
| Chapter 1—OVERVIEW | 5 |
| 1.1. Maintaining a productive work environment..... | 5 |
| 1.2. AFPD 34-3..... | 5 |
| Chapter 2—ROLES AND RESPONSIBILITIES | 6 |
| 2.1. The Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1)..... | 6 |
| 2.2. Director, Civilian Force Management Directorate (AF/A1C)..... | 6 |
| 2.3. Compensation and Workforce Management Division (AF/A1CP)..... | 6 |
| 2.4. Air Force Services Center, Human Resources & Benefits Division (AFSVC/VIH)..... | 6 |
| 2.5. Major Commands (MAJCOM)..... | 6 |
| 2.6. Commanders and Directors..... | 6 |
| 2.7. Force Support Squadron, Force Development Flight..... | 6 |
| 2.8. Human Resources Office..... | 7 |
| 2.9. Supervisors..... | 7 |
| 2.10. Employees..... | 7 |
| Chapter 3—GENERAL INFORMATION | 8 |
| 3.1. Legal Status of Nonappropriated Fund Civilian Employees..... | 8 |
| 3.2. Types of Appointments..... | 8 |
| 3.3. Quality Assessment..... | 8 |

| | | |
|--|--|-----------|
| 3.4. | Preparing and Maintaining NAF Personnel Records. | 8 |
| 3.5. | Employee Medical Folder. | 9 |
| 3.6. | Merged Records Personnel Folder. | 9 |
| 3.7. | Releasing Information from Personnel Folders. | 9 |
| Chapter 4—EMPLOYMENT POLICIES, REQUIREMENTS, RESTRICTIONS, AND PROCEDURES | | 10 |
| 4.1. | Equal Employment Opportunity. | 10 |
| 4.2. | Workplace Violence Prevention and Response. | 10 |
| 4.3. | Employing Veterans. | 10 |
| 4.4. | Employing Relatives. | 10 |
| 4.5. | Employing Minors. | 11 |
| 4.6. | Employing Retired United States Military Personnel. | 11 |
| 4.7. | Employing Off-Duty Military Personnel. | 11 |
| 4.8. | Military Spouse Preference. | 11 |
| 4.9. | Transition Hiring Preference. | 11 |
| 4.10. | Selective Service Registration. | 12 |
| 4.11. | Reinstating Employees. | 12 |
| 4.12. | Employing Nonappropriated Fund Annuitants. | 12 |
| 4.13. | Veteran Reemployment Rights. | 12 |
| 4.14. | DoD and OPM Interchange Agreement. | 12 |
| 4.15. | Employing in Foreign Areas. | 12 |
| 4.16. | Employment Procedures. | 12 |
| Chapter 5—POSITION CHANGES AND SEPARATIONS | | 14 |
| 5.1. | Details. | 14 |
| 5.2. | Reassignments. | 14 |
| 5.3. | Temporary Reassignments. | 14 |
| 5.4. | Promotions. | 14 |
| 5.5. | Temporary Promotions. | 14 |
| 5.6. | Separations. | 14 |
| 5.7. | Dissolving a NAFL. | 15 |
| 5.8. | Transfers of Function. | 15 |
| Chapter 6—BUSINESS BASED AND DISCIPLINARY ACTIONS | | 16 |
| 6.1. | Types of Business Based Actions (BBA). | 16 |

| | | |
|---|---|-----------|
| 6.2. | Types of BBA..... | 16 |
| 6.3. | Processing BBA..... | 16 |
| 6.4. | Reemployment Priority (RPA) Lists..... | 16 |
| 6.5. | Appeal Rights..... | 17 |
| 6.6. | Severance Pay..... | 17 |
| 6.7. | Disciplinary Actions..... | 17 |
| 6.8. | Nonappropriated Fund Civilian Transition Program..... | 18 |
| Chapter 7—PERFORMANCE EVALUATIONS, INCENTIVE AWARDS AND TRAINING | | 19 |
| 7.1. | Evaluating the Performance of Employees..... | 19 |
| Chapter 8—APPEALS AND GRIEVANCES | | 20 |
| 8.1. | General..... | 20 |
| 8.2. | Grievances..... | 20 |
| 8.3. | Appeals..... | 20 |
| Chapter 9—BENEFIT PROGRAMS | | 22 |
| 9.1. | General..... | 22 |
| 9.2. | Retirement Plan..... | 22 |
| 9.3. | 401(K) Savings Plan..... | 22 |
| 9.4. | Group Life, and Accidental Death and Dismemberment, Health and Dental Insurance Programs..... | 22 |
| 9.5. | Flexible Benefits Plan..... | 22 |
| 9.6. | Workers' Compensation Program..... | 22 |
| 9.7. | Unemployment Compensation Program..... | 22 |
| 9.8. | Department of Defense Employee Benefit Portability Program..... | 22 |
| 9.9. | Mass Transportation Benefit Program..... | 22 |
| 9.10. | Long Term Care Insurance..... | 23 |
| Attachment 1—GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION | | 24 |

Chapter 1

OVERVIEW

1.1. Maintaining a productive work environment. In which management and employees have mutually understood expectations of performance, conduct and personnel administration is essential to the effective functioning of the DAF and accomplishment of its national security mission.

1.2. AFPD 34-3. Establishes nonappropriated fund personnel policy for staffing, employee-management relations, classification, labor-management relations, civilian conduct, discipline and adverse actions, and agency grievance and appeal procedures. This instruction provides guidance to implement that policy and directs that civilian management officials, supervisors, and employees will perform official duties assigned therein.

Chapter 2

ROLES AND RESPONSIBILITIES

2.1. The Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1). Develop, coordinate, and execute nonappropriated fund civilian personnel policy and essential procedural guidance for the management of programs in this Instruction.

2.2. Director, Civilian Force Management Directorate (AF/A1C).

2.2.1. Under the authority and direction of the AF/A1, direct development and implementation of the civilian nonappropriated fund personnel program.

2.2.2. Ensure compliance with the law and DoD regulations.

2.2.3. Designated as waiver authority for the civilian nonappropriated fund personnel program.

2.3. Compensation and Workforce Management Division (AF/A1CP).

2.3.1. Develop AF-wide policy and guidance for nonappropriated fund civilian personnel policy.

2.3.2. Provide guidance on provisions of this Instruction.

2.3.3. Monitor programs and assess implementation with this Instruction.

2.4. Air Force Services Center, Human Resources & Benefits Division (AFSVC/VIH).

2.4.1. Provide operational guidance and policy interpretation.

2.4.2. Advise and educate managers, supervisors, employees, employee representatives, and any other officials or authorized personnel on the provisions of the program.

2.4.3. Coordinate with major command offices for developing initiatives.

2.4.4. Provide support and guidance and serve as point of contact for questions.

2.5. Major Commands (MAJCOM).

2.5.1. Provide supplemental procedures as needed.

2.5.2. Advise and assist Human Resources Officers and Executive Advisors.

2.6. Commanders and Directors.

2.6.1. Implement civilian nonappropriated fund personnel programs within their organizations that comply with legal and regulatory requirements.

2.6.2. Communicate to civilian nonappropriated fund employees the overall expectations governing civilian conduct and responsibilities.

2.7. Force Support Squadron, Force Development Flight.

2.7.1. Assist commanders, managers, and supervisors in administering the nonappropriated fund civilian personnel training program.

2.7.2. Ensure if nonappropriated funds are used for tuition, travel, per diem, or other fees relating to training, an employee must sign a nonappropriated fund service and reimbursable agreement in accordance with Nonappropriated Fund Personnel Program Management and Administration Procedures Guide, prior to engaging in training.

2.8. Human Resources Office.

2.8.1. Assist commanders, managers, and supervisors in administering the nonappropriated fund civilian personnel program.

2.8.2. Ensure all personnel actions comply with law, regulation, and policy.

2.8.3. Coordinate with Office of the Staff Judge Advocate on disciplinary and adverse actions.

2.8.4. Assist leadership in all aspects of nonappropriated fund civilian personnel policy.

2.9. Supervisors.

2.9.1. Promote good employee-management relations by providing employees with constructive feedback and by documenting counseling sessions with employees.

2.9.2. Create a work environment free from unlawful discrimination because of race, color, national origin, age (40 or older), religion, sex (including pregnancy, gender identity, and sexual orientation), disability, genetic information, or reprisal for previous Equal Employment Opportunity Commission.

2.9.3. Keep employees informed of rules, regulations, and standards of conduct, and maintain conduct and discipline according to policy and established procedures.

2.9.4. Gather, analyze, and carefully consider available facts and circumstances before taking or recommending disciplinary action.

2.9.5. Discipline and counsel employees individually while respecting the privacy interests of the employee. The Department of Labor has determined that disclosure of wage and separation information needed by a State Employment Security Agency to adjudicate nonappropriated fund employees program claims is a permitted routine use under the Privacy Act of 1974 and that a nonappropriated fund employees program claimant's written release for the disclosure of such information is not required.

2.9.6. Contact Human Resources Office for guidance concerning courses of action.

2.10. Employees.

2.10.1. Responsibly discharge assigned duties.

2.10.2. Respect the administrative authority of those directing their work.

2.10.3. Observe laws, regulations, and policies governing employee conduct and responsibility.

Chapter 3

GENERAL INFORMATION

3.1. Legal Status of Nonappropriated Fund Civilian Employees. In accordance with DoDI 1400.25, Volume 1401, *Department of Defense Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy* and DoDI 1400.25, Volume 1403, *Department of Defense Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, Nonappropriated Fund employees are Federal employees within the DoD but are not subject to the same personnel laws administered by the Office of Personnel Management (OPM) for Appropriated Fund employees. Title 5 United States Code Section 2105(c), *Employee Definition* explains this nonappropriated fund employee status and identifies the Official of Personnel Management-administered laws that cover nonappropriated fund employees unless otherwise specifically stated in law.

3.2. Types of Appointments. The Air Force hires nonappropriated fund employees as either “regular” or “flexible” employees. Regular employees are members who are hired either in a part-time or full-time status with regular work schedules. Flexible employees are hired to fill positions with irregular schedules, which are not on a continuous basis. Both types of employment can be on a limited-term basis and hiring organizations should post a work schedule for all employees.

3.3. Quality Assessment. The Air Force Services Center (AFSVC) and installation commanders assess the Nonappropriated Fund personnel program in accordance with AFPD 34-3. **(T-3)**

3.4. Preparing and Maintaining NAF Personnel Records.

3.4.1. The Nonappropriated Fund Human Resources Office located in the Force Support Squadron, Mission Support Group, maintains central custody of all hard copy Standard Form 66, *Official Personnel Folder*, Standard Form 66-C, *Merged Records Personnel Folder*, and Standard Form 66-D, *Employee Medical Folder*. Preparation, maintaining, safeguarding, and disposing of all records and forms used for personnel administration is in accordance with DoDM 5400.07_AFMAN 33-302, *Freedom of Information Act Program*, AFI 33-332, *Air Force Privacy and Civil Liberties Program*, and the Air Force Records Information Management System. Nonappropriated Fund Human Resources Offices do not set up any other personnel records and forms other than those required by this instruction. **(T-3)**

3.4.2. In addition to maintaining hard copy personnel records, Nonappropriated Fund Human Resources Offices use the Defense Civilian Personnel Data System (DCPDS) to establish and maintain employee and position data. This data system is operated at all levels of the Air Force.

3.4.3. The Official Personnel Folder (OPF) contains records which accurately show an employee's most essential information from date of employment to date of separation. Nonappropriated Fund Human Resources Offices:

3.4.3.1. Prepare and maintain an OPF for each employee.

3.4.3.2. File documents in an employee's OPF according to long-term or temporary retention.

3.4.3.3. File long-term documents on the right side of the OPF and temporary documents on the left side of the OPF.

3.4.4. Supervisors will maintain an employee work folder for all employees to document significant events and discussions concerning employee performance, recognition, and conduct. Supervisors at higher levels do not keep duplicate sets of records. **(T-3)**

3.5. Employee Medical Folder. The Nonappropriated Fund Human Resources Office maintains a nonappropriated employee medical folder containing occupation related medical records not maintained by a medical facility. **(T-3)**

3.6. Merged Records Personnel Folder. The Nonappropriated fund Human Resource Office creates a merged record personnel folder for nonappropriated fund employees moving between civil service and nonappropriated fund employment. The folder should retain records from all nonappropriated and civil service employments and if available, records from other employment systems.

3.7. Releasing Information from Personnel Folders. The *Privacy Act*:

3.7.1. Gives employees the right to:

3.7.1.1. Know what personnel records the Air Force collects, maintains, and distributes.

3.7.1.2. Correct and amend their personnel records.

3.7.2. Requires Air Force officials to comply with DoDM 5400.07_AFMAN 33-302, *Freedom of Information Act Program* and AFI 33-332 when:

3.7.2.1. Releasing information and documents in employee's personnel folders.

3.7.2.2. Amending or correcting those records.

3.7.2.3. Setting fees for providing records.

Chapter 4

EMPLOYMENT POLICIES, REQUIREMENTS, RESTRICTIONS, AND PROCEDURES

4.1. Equal Employment Opportunity. In accordance with DoDD 1440.1, *DoD Civilian Equal Employment Opportunity (EEO) Program* and DAFI 36-2710, *Equal Opportunity Program*, all personnel must strictly comply with Federal laws requiring Equal Employment Opportunity. Supervisors, managers and other authorities are expected to base personnel actions only on the principles of merit and qualifications, without regard to:

- 4.1.1. Race.
- 4.1.2. Color.
- 4.1.3. Sex (including pregnancy, gender identity, and sexual orientation).
- 4.1.4. Religion.
- 4.1.5. Age (40 or older).
- 4.1.6. National origin.
- 4.1.7. Disability.
- 4.1.8. Genetic information.
- 4.1.9. Reprisal for previous Equal Employment Opportunity activity.

4.2. Workplace Violence Prevention and Response. In accordance with DoDI 1438.06, *Department of Defense Workplace Violence Prevention and Response Policy*, all supervisors must immediately report threats of workplace violence to their management and appropriate military or civilian authorities as determined by local threat reporting protocol. **(T-0)** Appropriate authorities may include security or safety organization, employee assistance programs (EAPs), or others as determined locally.

4.3. Employing Veterans. Applicants who meet the eligibility criteria in Title 5 United States Code Section 2108, *Veteran; Disabled Veteran; Preference Eligible*, and the minimum service requirements in the OPM's Guide to Processing Personnel Actions, receive hiring preference at initial appointment only, provided they are equally qualified for the vacant position. Veterans shall have employment preference over all other applicants, with the exception of military spouses and transition hiring preference applicants, and applicants on reemployment priority lists; and in foreign areas, family members of military and civilian personnel assigned to the host country, and off-duty military personnel.

4.4. Employing Relatives. Officials will not appoint, employ or promote, nor advocate for appointment, employment or promotion, of any individual who is a relative, in a civilian position or nonappropriated fund organization over which they exercise jurisdiction or control. **(T-1)**

- 4.4.1. Official means a member of the uniformed services, and Appropriated Fund or Nonappropriated Fund employee, or any other individual who has the authority or in whom the authority has been delegated, to appoint, employ, promote, or advance individuals; or to recommend individuals for appointment, employment, promotion, or advancement, e.g., Force Support Squadron commander, Force Support Squadron deputy, and Operations Officer.

4.4.2. Relative means an individual related to the official as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother or half-sister.

4.5. Employing Minors. DoD Component heads and NAF employers must ensure complete compliance with Title 29 United States Code Section 212, *Child labor provisions*, Title 29 Code of Federal Regulations Part 570, *Child Labor Regulations, Orders and Statements of Interpretation* and State child labor laws in order to protect young workers from employment that might interfere with their educational opportunities or be detrimental to their health or well-being. When both State and federal child labor laws apply, the law setting the more stringent standard must be observed. Minors may not be given work declared to be hazardous by the Department of Labor in 29 Code of Federal Regulations Part 570, Subpart E, *Occupations Particularly Hazardous for Employment of Minors Between 16 and 18 Years of Age or Detrimental to Their Health or Well-Being*. (T-0)

4.6. Employing Retired United States Military Personnel. In accordance with DoD Instruction 1402.01, *Employment of Retired Members of the Armed Forces*, hiring officials give members of the uniformed services the same rights and considerations as all other applicants. (T-0) In hiring retired United States military personnel, avoid:

4.6.1. Giving preferential treatment.

4.6.2. Holding positions open while awaiting their retirement.

4.6.3. Employing anyone during the period of 180 days immediately after their retirement. **EXCEPTIONS:** A retired member of the Armed Forces may be appointed to a position in the civil service in the nonappropriated fund instrumentality under the jurisdiction of the armed forces during the period of 180 days immediately after their retirement in accordance with guidance provided in DoDI 1400.25, V1403, Enclosure 3.

4.6.4. Violating Public Law 88-448, *Dual Compensation Act*.

4.7. Employing Off-Duty Military Personnel. Hiring officials may employ off-duty enlisted military personnel in nonappropriated fund positions if:

4.7.1. The officials do not give preferential treatment.

4.7.2. The enlisted personnel must not be hired to perform duties in the same Force Support Squadron activity to which assigned while carrying out their assigned military duties.

4.7.3. Active duty commissioned and warrant officers are prohibited from entering into an employer/employee relationship as a NAF employee.

4.8. Military Spouse Preference. Hiring officials give employment preference to military spouses of active-duty military members in conjunction with their military sponsor's transfer in accordance with DoDI 1400.25, Volume 315, *Employment of Spouses of Active Duty Military*.

4.9. Transition Hiring Preference. Hiring officials give certain categories of involuntarily separated military members and their family members a Transition Hiring Preference in accordance with Public Law 101-510, *1991 National Defense Authorization Act*, Section 1143(d). (T-0)

4.10. Selective Service Registration. Any individual who was required to register with Selective Service and who is not registered before the requirement terminated or became inapplicable to the individual, will not be appointed. **(T-0)**

4.11. Reinstating Employees. Department of Defense (DoD) Nonappropriated Fund Instrumentalities may reinstate a former DoD Nonappropriated Fund Instrumentality regular employee who separated from Nonappropriated Fund Instrumentality employment. Any Nonappropriated Fund Instrumentality may reinstate the former employee at any time after the date of the separation. A reinstatement may be noncompetitive to the same or lower grade or pay-band level previously held with a DoD Nonappropriated Fund Instrumentality.

4.12. Employing Nonappropriated Fund Annuitants. The Air Force Services Center suspends the annuity of a retired Nonappropriated Fund employee who is rehired in a regular position for as long as the retired employee remains in a regular position.

4.13. Veteran Reemployment Rights. Nonappropriated Fund employees receive reemployment rights after military service in accordance with Title 38 United States Code, Chapter 43, *Employment and Reemployment Rights of Members of the Uniformed Services*. **(T-0)**

4.14. DoD and OPM Interchange Agreement. In accordance with the agreement between the DoD and OPM, employees serving in Nonappropriated Fund Instrumentalities may be appointed to positions in the competitive civil service, and employees serving in positions in the competitive civil service may be appointed to Nonappropriated Fund Instrumentalities positions.

4.15. Employing in Foreign Areas.

4.15.1. While Air Force policies for employing nonappropriated fund personnel in the United States apply to United States citizens or United States nationals in foreign areas, they must not conflict with:

4.15.1.1. Existing treaties.

4.15.1.2. Agreements with host countries.

4.15.1.3. Nonappropriated Fund Instrumentalities in foreign areas employ non-United States citizen employees according to:

4.15.1.4. The customs and practices in those areas.

4.15.1.5. The terms of country-to-country agreements and directives.

4.15.2. Nonappropriated Fund Instrumentalities employ civilian personnel in overseas areas in accordance with DoD Instruction 1400.25, Volume 1412, *Nonappropriated Fund (NAF) Overseas Allowances and Differentials and Employment in Foreign Areas*.

4.16. Employment Procedures.

4.16.1. **Establishing Positions.** Many standardized position guides/standardized position descriptions applicable to common nonappropriated fund positions across the Air Force have been developed for use. Using standard position descriptions and standard position guides does not eliminate the requirement for an adequate description of the local position. Decisions concerning their use and the classification of positions are made at the installation level. **(T-3)**

4.16.2. AF managers and supervisors establish positions by writing a position description and/or position guide that contain(s):

- 4.16.2.1. An accurate description of duties and responsibilities.
 - 4.16.2.2. Realistic qualification requirements.
 - 4.16.2.3. Measurable performance standards.
 - 4.16.2.4. Training requirements.
- 4.16.3. Employment requirements for nonappropriated fund positions include:
- 4.16.3.1. Complying with provisions of Public Law 88-448 and Public Law 99-603, *Immigration Reform and Control Act of 1986*. **(T-0)**
 - 4.16.3.2. In accordance with DoDM 5200.02, *Procedures for the DoD Personnel Security Program (PSP)*, DoDI 1400.25, Volume 731, *DoD Civilian Personnel Management System: Suitability and Fitness Adjudication for Civilian Employees* and DoD Instruction, 1402.05, *Background Checks on Individuals in DoD Child Care Services Program*, obtain the required background investigation for the position. **(T-0)**
 - 4.16.3.3. Favorably completing a Tier 1 investigation, Installation Records Check and State Criminal History Repository Check (when applicable). **(T-0)**
- 4.16.4. Methods of Filling Positions. Hiring officials may fill Nonappropriated Fund Instrumentality positions by:
- 4.16.4.1. Promoting employees.
 - 4.16.4.2. Reassigning employees.
 - 4.16.4.3. Detailing employees.
 - 4.16.4.4. Changing employees to a lower grade or pay band.
 - 4.16.4.5. Reemploying former employees.
 - 4.16.4.6. Recruiting employees from outside sources.
- 4.16.5. Applicant Supply File. The USAJOBS web-based system is the Air Force nonappropriated fund centralized automated applicant supply file.
- 4.16.6. Probationary Periods. Probationary periods are required for individuals when employed in a regular position without time limits. The lengths of probationary periods are:
- 4.16.6.1. Six months for pay bands NF-I and NF-II, and non-supervisory crafts and trades employees.
 - 4.16.6.2. Twelve months for pay bands NF-III through NF-VI, and child development and youth program employees.
 - 4.16.6.3. Twelve months for initial appointment to a supervisory and/or managerial position.

Chapter 5

POSITION CHANGES AND SEPARATIONS

5.1. Details. A detail is a temporary assignment of an employee to a different position for up to 120 days without a change in pay. Employees return to their original position at the end of a detail.

5.2. Reassignments. Managers may reassign employees within the organization to promote efficiency.

5.2.1. Managers may reassign crafts and trades employees to other positions without changing the:

5.2.1.1. Employment category.

5.2.1.2. Pay plan.

5.2.1.3. Grade.

5.2.1.4. Guaranteed hours.

5.2.1.5. Rate of pay.

5.2.2. Managers may reassign pay band employees to other positions without changing the:

5.2.2.1. Employment category.

5.2.2.2. Pay band.

5.2.2.3. Guaranteed hours.

5.2.3. Managers may adjust a pay band employee's pay upward if the position has increased responsibilities.

5.3. Temporary Reassignments. Managers and supervisors may make temporary reassignments under the same conditions as reassignments. They must last at least two pay periods, but not longer than six months in position reassigned to. **Exception** (to the six-month limitation): Temporary reassignments for incumbents selected for the NAF career broadener program may be processed for a 12-month period to a position for which the employee will gain eligibility for career enhancement.

5.4. Promotions. A promotion is the change of an employee from one grade or pay band to a higher grade or pay band. Employees usually compete for promotions and must meet the qualifications for the new position. An employee's pay is adjusted upward upon promotion.

5.5. Temporary Promotions. Managers and supervisors may make temporary promotions of qualified employees. These promotions:

5.5.1. May be noncompetitive.

5.5.2. Must last at least two pay periods.

5.5.3. May not exceed six months.

5.6. Separations. Nonappropriated Fund Instrumentality (NAFI) officials separate employees because of:

5.6.1. Voluntary retirement.

- 5.6.2. Voluntary resignation.
- 5.6.3. Involuntary termination of flexible employees.
- 5.6.4. Business based action procedures.
- 5.6.5. Removal for cause of regular employees.
- 5.6.6. Resignation for abandonment of position.
- 5.6.7. Death.
- 5.6.8. Failure to meet or maintain background security clearance requirements per [paragraph 4.16.3.2](#).
- 5.6.9. Conflict of interest.
- 5.6.10. Disability, that even with reasonable accommodation, still prevents the employee from performing the necessary job function.

5.7. Dissolving a NAFI. When authorities dissolve a NAFI, they must use business-based action procedures to terminate or transfer employees. Refer to [Chapter 6](#) for additional guidance on business based actions.

5.8. Transfers of Function. A transfer of function is the transfer of the responsibility for the performance of a continuing function from one Nonappropriated Fund Instrumentality to one or more NAFI within or between DoD components located in the same or another commuting area.

5.8.1. All transfers of function between United States Air Force NAFI are subject to case-by-case written agreements between losing and gaining NAFI and approval by the installation commander or commanders concerned. **(T-3)** If movement includes one or more NAFI at the Major Command level, one of the Air Force central NAFI or the Air Force Civilian Welfare Fund, all fund custodians involved must concur with the NAFI's agreement. **(T-1)**

5.8.2. All transfers of function between United States Air Force and non-United States Air Force NAFI's are directed at Headquarters United States AF/A1C level. **(T-1)**

Chapter 6

BUSINESS BASED AND DISCIPLINARY ACTIONS

6.1. Types of Business Based Actions (BBA). NAFI officials use these actions to adjust nonappropriated fund employee resources because of:

- 6.1.1. Change in business revenue.
- 6.1.2. Budget.
- 6.1.3. Workload.
- 6.1.4. Reorganization.
- 6.1.5. Mission.

6.2. Types of BBA.

- 6.2.1. A reduction in rate of pay.
- 6.2.2. A furlough of a regular category, non-probationary employee.
- 6.2.3. A change to lower grade or pay band level.
- 6.2.4. A change from regular category to flexible employment category.
- 6.2.5. A change from a regular full-time work schedule to regular part-time work schedule.
- 6.2.6. A separation.

6.3. Processing BBA. Employees are affected by business based actions only if so, identified after an objective, fair, and equitable ranking against other employees in the same employment category, series, grade or pay band, and nonappropriated fund organization. The ranking process considers both performance and seniority, although performance is the primary criterion.

6.3.1. Officials will provide advance written notice to the employees affected by BBA. **(T-3)**

6.3.1.1. Regular employees receive a notice of:

6.3.1.1.1. Seven calendar days for a non-separation action.

6.3.1.1.2. Thirty calendar days for a separation.

6.3.1.2. Employees in a Nonappropriated Fund career program covered position receive a notice of 60 calendar days for separation.

6.3.1.3. Flexible employees receive a notice of:

6.3.1.3.1. Minimum 24 hours for a non-separation action.

6.3.1.3.2. Seven calendar days for separation.

6.3.2. Officials may place career program employees on limited leave without pay under certain conditions, if they do not receive placement through career program procedures within the 60-day notice period for separation.

6.4. Reemployment Priority (RPA) Lists. All Nonappropriated Fund Human Resources Offices will maintain an RPA list to provide placement assistance to those employees separated by BBA. **(T-3)**

6.4.1. Separated employees have:

6.4.1.1. Priority placement rights in the Nonappropriated Fund activity from which separated.

6.4.1.2. Priority consideration rights at other DoD Nonappropriated Fund activities in the commuting area.

6.4.2. Separated employees remain on the RPA List until reemployed, or for 1 year after the date of separation, whichever occurs first.

6.5. Appeal Rights. Employees may appeal a BBA if they believe management failed to follow business-based action instructions and procedures in accordance with **Chapter 8** of this AFI.

6.6. Severance Pay. Regular employees who involuntarily separate because of a BBA may receive severance pay if they have completed at least 12 continuous months of regular DoD nonappropriated fund service. **Exclusions:** Otherwise, eligible employees shall not receive nonappropriated fund severance pay if they:

6.6.1. Are employed, without a break in service of more than 3 calendar days after separation, in another DoD nonappropriated fund regular position, or a DoD appropriated fund position, without a time limit on the length of the appointment.

6.6.2. Have refused an offer of employment in any DoD NAFI that would not result in a rate of basic pay that is lower than the rate of basic pay received immediately before the BBA, or that would not result in a loss of employment category.

6.6.3. Are entitled to an immediate annuity that is not reduced because of the employee's age at the time of retirement.

6.6.4. Are receiving payments from the Department of Labor's Office of Workers' Compensation Programs for a job-related injury.

6.7. Disciplinary Actions. Supervisors take disciplinary actions to correct and rehabilitate an employee for misconduct.

6.7.1. Disciplinary actions include:

6.7.1.1. Oral admonishment.

6.7.1.2. Reprimand.

6.7.1.3. Termination (flexible employees only).

6.7.1.4. Suspension (regular employees only).

6.7.1.5. Demotion (regular employees only).

6.7.1.6. Removal (regular employees only).

6.7.2. Supervisors do not use suspensions and removal actions to discipline flexible employees.

6.7.3. Supervisors give all disciplinary actions in writing with the exception of oral admonishment.

6.7.4. The Force Support Nonappropriated Fund Human Resources Office helps prepare:

6.7.4.1. All letters of reprimand.

6.7.4.2. Notices of termination.

6.7.4.3. Proposed and decision letters for suspensions, demotions, and removals. The Chief, Human Resources will consult the installation legal office on proposed and decision letters for suspensions, demotions, and removals. **(T-3)**

6.7.5. Employees may:

6.7.5.1. File a grievance in response to letters of reprimand, terminations, and suspensions.

6.7.5.2. Appeal decisions to demote or remove them.

6.8. Nonappropriated Fund Civilian Transition Program. DoDI 1400.25, Volume 1417, *Department of Defense Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions* is designed to assist DoD Nonappropriated Fund employees during NAFI base realignment and closure actions and general workforce reduction situations. Programs for annual leave savings and hiring preferences for certain contractor jobs are applicable only during base realignment and closure actions. Programs, authorities, and policies applicable in base realignment and closure and general workforce reduction situations include:

6.8.1. Voluntary Separation Incentive Pay.

6.8.2. Voluntary Early Retirement and Discontinued Service Retirement.

6.8.3. Workforce Investment Act.

6.8.4. Extended employment for retirement and health insurance eligibility.

6.8.5. RPA List.

6.8.6. OPM and DoD Interchange Agreement.

6.8.7. Pay and employee benefits protection.

6.8.8. Permanent change of station expenses.

6.8.9. Homeowners Assistance Program.

6.8.10. Severance Pay.

6.8.11. Temporary continuation of health insurance.

6.8.12. Unemployment compensation.

Chapter 7

PERFORMANCE EVALUATIONS, INCENTIVE AWARDS AND TRAINING

7.1. Evaluating the Performance of Employees.

7.1.1. Supervisors develop work performance standards that are fair and objective, and record them on the employee's position guide in accordance with DoDI 1400.25, Volume 1404, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*.

7.1.1.1. Performance standards identify the quality, quantity, and timeliness of successful job performance.

7.1.1.2. Supervisors are expected to:

7.1.1.2.1. Make employees aware of their performance standards.

7.1.1.2.2. Objectively evaluate them on a scheduled and continuous basis.

7.1.2. Supervisors complete annual evaluations of all employees at the same time.

7.1.2.1. Supervisors may consider all employees for performance awards.

7.1.2.2. Supervisors may consider pay band employees for pay adjustments for continued excellent performance.

7.1.3. Supervisors are expected to advise employees with declining work performance in writing of their work performance deficiencies before assigning a less than satisfactory evaluation.

7.1.3.1. Regular employees receive a Performance Improvement Period (PIP) of at least 30 days. The PIP for flexible employees is at least 7 days.

7.1.3.2. If the employee's performance remains unacceptable after the PIP ends, the supervisor takes one of three actions:

7.1.3.2.1. Reassigns the employee.

7.1.3.2.2. Terminates the employee (if flexible).

7.1.3.2.3. Proposes to demote or remove the employee (if regular).

7.1.4. Employees may file a grievance as a result of:

7.1.4.1. Performance evaluation.

7.1.4.2. Actions that officials take as a result of unacceptable performance.

Chapter 8

APPEALS AND GRIEVANCES

8.1. General. Employees may file an appeal or grievance to express dissatisfaction with matters relating to conditions of employment without fear of penalty or reprisal or the threat thereof.

8.1.1. At least once a year, the Chief, Human Resources:

8.1.1.1. Advises employees of appeal and grievance rights. **(T-3)**

8.1.1.2. Defines appeal and grievance rights so that employees understand the process, how to file either complaint with the Human Resources Office and makes these procedures available for review in the Human Resources Office, the employee's work center and on the Force Support Squadron installation website. **(T-3)**

8.1.2. Refers employee charges of alleged discrimination that arise in connection with an appeal or grievance to the installation Chief, Equal Employment Opportunity Counselor.

8.1.3. Notifies the employee in writing through an official memorandum of the referral to the Chief, Equal Employment Opportunity Counselor.

8.2. Grievances. A grievance is a written request made by an employee, or a group of employees acting collectively, for personal relief relating to the employment of the employee(s) which is subject to the control of management.

8.2.1. The grievance process involves three decision steps:

8.2.1.1. Step one is a decision from the employee(s) supervisor. No later than 7 days after receipt of the Step one grievance, the supervisor renders, in writing, a Step one decision. **(T-3)**

8.2.1.2. Step two is filed with the Force Support Commander/Director no later than 7 days if employee(s) not satisfied with Step one decision. **(T-3)**

8.2.1.3. Step three and final step is filed with the installation commander no later than 7 days if employee(s) not satisfied with Step two decision. **(T-3)**

8.2.1.3.1. The installation commander may delegate the authority to render Step three decisions no lower than the mission support group commander.

8.2.1.3.2. The commander either (1) renders a decision on the basis of the existing grievance record or (2) appoints an impartial third party to investigate the grievance. He or she may also consult with whomever he or she believes has information relevant to the grievance and consults with the NAF Human Resources before issuing a decision.

8.2.2. The decision at each step of the grievance process is in writing, and is reviewed by the Chief, Human Resources prior to issuance to the employee. **(T-3)**

8.3. Appeals.

8.3.1. An appeal is a written request an employee makes to contest:

8.3.1.1. A demotion or removal for cause.

8.3.1.2. A BBA.

8.3.1.3. A demotion based on position classification.

8.3.2. For flexible employees, the appeal process involves two steps.

8.3.2.1. Step one is decided by the Force Support Commander/Director. **(T-3)**

8.3.2.2. Step two is decided by the installation commander. **(T-3)**

8.3.3. For regular employees, the appeal process involves three steps.

8.3.3.1. Step one is decided by the Force Support Commander/Director. **(T-3)**

8.3.3.2. Step two is decided by the installation commander. **(T-3)**

8.3.3.3. Step three is decision is made by the MAJCOM A1. **(T-2)**

8.3.4. The decision at each step of the appeal process is in writing and informing the employee if he or she is not satisfied with the decision they may file an appeal at the next level. The Chief, Human Resources reviews the step one and two decisions prior to issuance to the employee. **(T-3)**

Chapter 9

BENEFIT PROGRAMS

9.1. General. In accordance with DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*, DoD Components shall provide eligible employees a retirement system, health and life insurance, and other insurance and benefit programs. **(T-0)**

9.2. Retirement Plan. The voluntary retirement plan is available to most regular employees.

9.2.1. The employee and employing NAFI both contribute to the retirement plan.

9.2.2. The plan is administered in accordance with AF Manual (AFMAN) 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*.

9.3. 401(K) Savings Plan. The 401(K) Savings Plan is available to most regular employees.

9.3.1. Regular employees, who do not decline participation, are auto enrolled in the Nonappropriated Fund 401(K) Savings Plan with a 1 percent employee contribution.

9.3.2. The employee and employing Nonappropriated Fund Instrumentality both contribute to the 401(K) savings plan.

9.3.3. The plan is administered in accordance with AFMAN 34-302.

9.4. Group Life, and Accidental Death and Dismemberment, Health and Dental Insurance Programs. These voluntary plans are available to most regular employees at a moderate cost to the employee and employer. The programs are administered in accordance with AFMAN 34-302.

9.5. Flexible Benefits Plan. The Flexible Benefits Plan allows regular Nonappropriated Fund employees and retirees, who enroll in the group health plan, to pay health plan contributions with pre-tax earnings. The plan is administered in accordance with AFMAN 34-302.

9.6. Workers' Compensation Program. Nonappropriated Fund employees are eligible for workers' compensation disability income and authorized medical expense benefits in accordance with AFMAN 34-302.

9.7. Unemployment Compensation Program. Nonappropriated Fund employees are eligible to apply for unemployment compensation. The program is administered in accordance with AFMAN 34-302.

9.8. Department of Defense Employee Benefit Portability Program. The program applies to employees who move between nonappropriated fund and appropriated fund employment systems within the DoD without a break in service of more than three calendar days. The program is administered in accordance with Public Law 101-508 Section 7202, *Portability of Benefits for Nonappropriated Fund Employees Act of 1990*.

9.9. Mass Transportation Benefit Program. DoD Components shall provide mass transportation benefits to nonappropriated fund to the extent authorized by law and regulation.

9.10. Long Term Care Insurance. Nonappropriated Fund employees and retirees are eligible for Long Term Care insurance. Employees and retirees shall pay the full cost of the premium without any subsidization by the Nonappropriated Fund employer.

JOHN A. FEDRIGO, SES
Principal Deputy Assistant Secretary (Manpower
and Reserve Affairs)

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

PL 88-448, *Dual Compensation Act*

PL 99-603, *Immigration Reform and Control Act of 1986*

PL 101-510, *1991 National Defense Authorization Act*

PL 101-508, *Portability of Benefits for Nonappropriated Fund Employees Act of 1990*

5 USC §552a, *Privacy Act of 1974*

5 USC §2105(c), *Employee Definition*

5 USC §2108, *Veteran; disabled veteran; preference eligible*

5 USC §3110, *Employment of Relatives; restrictions*

29 USC §212, *Child Labor Provisions*

29 CFR, Part 570, *Child Labor Regulations, Orders and Statements of Interpretation*

38 USC, Chapter 43, *Employment and Reemployment Rights of Members of the Uniformed Services*

DoDD 1020.02E, *Diversity Management and Equal Opportunity in the DoD*, 8 June 2015

DoDD 1440.1, *The DoD Civilian Equal Employment Opportunity (EEO) Program*, 21 November 2003

DoDD 5500.7, *Standards of Conduct*, 29 November 2007

DoDI 1400.25, *DoD Civilian Personnel Management*, 3 December 1996

DoDI 1400.25, Volume 315, *DoD Civilian Personnel Management-Employment of Spouses of Active Duty*, 19 March 2012

DoDI 1400.25, Volume 731, *DoD Civilian Personnel Management System: Suitability and Fitness Adjudication for Civilian Employees*, 24 August 2012

DoDI 1400.25, Volume 1401, *DoD Civilian Personnel Management System - General Information Concerning Nonappropriated Fund (NAF) Personnel Policy*, 18 October 2011

DoDI 1400.25, Volume 1403, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment*, 20 March 2015

DoDI 1400.25, Volume 1404, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program*, 26 June 2014

DoDI 1400.25, Volume 1408, *DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees*, 11 July 2016

DoDI, 1400.25, Volume 1412, *DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials and Employment in Foreign Areas*, 20 July 2012

DoDI 1400.25, Volume 1417, *DoD Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions*, 19 June 2015

DoDI 1402.01, *Employment of Retired Members of the Armed Forces*, 9 September 2007

DoDI 1402.05, *Background Checks on Individuals in DoD Child Care Services Programs*, 11 September 2015

DoDI 1438.06, *DoD Workplace Violence Prevention and Response Policy*, 16 January 2014

DoDM 5200.02, *Procedures for the DoD Personnel Security Program (PSP)*

DAFMAN 90-161, *Publishing Processing and Procedures*, 15 April 2022

AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*, 27 November 2022

AFI 33-332, *Air Force Privacy and Civil Liberties Program*, 10 March 2020

AFI 33-324, *The Air Force Information Collections and Reports Management Program*, 22 July 2019

AFMAN 34-302, *Nonappropriated Funds (NAF) Personnel Benefit Programs*, 11 June 2019

DAFI 36-2710, *Equal Opportunity Program*, 18 June 2020

AFI 33-322, *Records Management and Information Governance Program*, 23 March 2020

Nonappropriated Fund Personnel Program Management and Administration Procedures Guide, June 2019

OPM's Guide to *Processing Personnel Actions*

Prescribed Forms

AF Form 1001, *Award Recommendation Transmittal*

AF Form 1065, *Nonappropriated Fund (NAF) Civilian Position Description*

AF Form 1702, *Nonappropriated Fund (NAF) Position Guide*

AF Form 243, *Statement of Physical Ability – (NAF)*

AF Form 2545, *NAFI Notification of Personnel Action*

AF Form 2548, *NAFI Request for Personnel Action*

AF Form 3527, *NAF Employee Performance Evaluation*

AF Form 852, *NAF Record of Training or Certification of Equivalency*

Adopted Forms

DAF Form 679, *Department of the Air Force Publication Compliance Item Waiver Request/ Approval*

DAF Form 847, *Recommendation for Change of Publication*

Standard Form 66, *Official Personnel Folder*

Standard Form 66C, *Merged Records Personnel Folder*

Standard Form 66D, *Employee Medical Folder*

Abbreviations and Acronyms

AF—Air Force

FI—Air Force Instruction

AFMAN—Air Force Manual

AFPD—Air Force Policy Directive

AFSVC—Air Force Services Center

DAF—Department of the Air Force

DAFI—Department of the Air Force Instruction

DAFMAN—Department of the Air Force Manual

DCPDS—Defense Civilian Personnel Data System

DoD—Department of Defense

DoDD—Department of Defense Directive

DoDI—Department of Defense Instruction

EO—Equal Opportunity

ICTAP—Interagency Career Transition Assistance Plan

MAJCOM—Major Command

NAF—Nonappropriated Funds

OPF—Official Personnel Folder

OPM—Office of Personnel Management

OPR—Office of Primary Responsibility

PIP—Performance Improvement Plan

PPP—Priority Placement Program

RPL—Reemployment Priority Listing

USSF—United States Space Force

Office Symbols

AF/A1—Deputy Chief of Staff for Manpower, Personnel and

AF/A1C—Director, Civilian Force Management Directorate

AF/A1CP—Compensation and Workforce Management Division

AF/RE—Chief of Air Force Reserve

AFSVC/VIH— Air Force Services Center, Human Resources & Benefits Division

NGB/CF—Director of the Air National Guard

Terms

Business Based Action—a reduction in employment category or pay rate, a change to lower grade or pay band, a furlough of eight calendar days or more, or a separation action initiated by management for non-disciplinary reasons.

Demotion—Personnel action that moves an employee, while serving continuously in the same agency, (1) to a position at a lower grade or pay band, or (2) to a position with a lower rate of basic pay when both the old and the new position are under the same type of ungraded wage schedule or a different pay-method category.

Flexible employee—Flexible employees are hired to fill positions with irregular schedules, which are not on a continuous basis.

Regular employee—Regular employees are members who are hired either in a part-time or full-time status with regular work schedules.

Relative—means an individual who is related to the employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, or half-sister in accordance with 5 USC §3110.