

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

AIR FORCE MANUAL 34-201

28 SEPTEMBER 2018

Services



USE OF NONAPPROPRIATED FUNDS

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

ACCESSIBILITY: Publications and forms are 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/A1SRR

Certified by: SAF/MR
(Mr. Shon J. Manasco)

Supersedes: AFI34-201, 17 June 2002;
AFJI34-122, 22 April 1988

Pages: 95

This instruction implements Department of Defense Instruction 1015.15, *Establishment, Management, and Control of Nonappropriated Fund Instrumentalities (NAFIS) and Financial Management of Supporting Resources* and Air Force Policy Directive 34-2, *Managing Nonappropriated Funds*. This publication prescribes the creation of reports covered by Report Control Symbols Headquarters Air Force-Services [A&Q] 9469 and Report Control Symbols Headquarters Air Force-Morale, Welfare, and Recreation (Q) 8401. It provides the basic responsibilities, procedures, and practices for all Air Force Nonappropriated Funds and Nonappropriated Fund Instrumentalities with exception of Army and Air Force Exchange Service and Chaplain Funds. In collaboration with the Chief of the Air Force Reserve, and the Director of the Air National Guard, the Deputy Chief of Staff for Manpower, Personnel and Services develops personnel policy for nonappropriated fund financial management. This publication may be supplemented at any level; all Major Command level supplements must be approved by the Human Resource Management Strategic Board prior to certification and approval. The Air National Guard and Air Force Reserve may supplement this instruction with advance approval of the Commander, Air Force Services Activity and the Financial Management and Comptroller Directorate. Send two copies of each proposed supplement to Air Force Services Activity Financial Management and Comptroller, 2261 Hughes Avenue., Suite #156, Lackland Air Force Base, TX 78236-9854. Also any proposed supplements can be sent via email to: [AFSVA/CAG Workflow <AFSVA.CAG.Workflow@us.af.mil>](mailto:AFSVA/CAG.Workflow@us.af.mil) Send copies of each published supplement to the Director of Services, Headquarters United States Air Force, 1040 Air Force Pentagon, Washington District

of Columbia 20330, and to Air Force Services Activity Financial Management and Comptroller. The authorities to waive wing/unit level requirements in this publication are identified with a Tier (“T-0, T-1, T-2, or T-3) number following the compliance statement. Refer recommended changes and questions about this publication to the Office of Primary Responsibility using the Air Force Form 847, *Recommendation for Change of Publication*; route Air Force Forms 847 from the field through the appropriate functional chain of command. Ensure all records created as a result of processes prescribed in this publication are maintained in accordance with Air Force Manual 33-363, *Management of Records*, and disposed of in accordance with the Air Force Records Information Management System Records Disposition Schedule.

SUMMARY OF CHANGES

This publication was revised and must be thoroughly reviewed. It clarifies definitions, tightens expenditure authorities and reporting requirements, updates references, and mailing addresses. This change adds a separate chapter for guidance on the Air Force Fisher House Fund, a separate chapter for Air Force Civilian Welfare Fund, addresses use of nonappropriated funds for business cards in special/certain circumstances, expands guidance regarding donations/gifts to Nonappropriated Fund Instrumentalities, updates acceptance levels for donations with reference to Air Force Instruction 34-108, *Air Force Commercial Sponsorship and Sale of Advertising*, and deletes requirement for Air Force Base Capital Improvement Fund Project Completion Report (Report Control Symbol: Headquarters Air Force-Services[AR] 9468). Additionally, this change provides specific guidance on waivers to fund source and use of Nonappropriated Fund Instrumentality Memorandum of Agreements. Finally, this change defines the roles and responsibility of the Air Force Installation Mission and Support Center and implements the Commanders Nonappropriated Fund Sustainment Program. Applies to all Nonappropriated Fund Instrumentalities throughout Air Force with the exception of Army and Air Force Exchange Service and Chaplain Funds. Changes in organizational structure cannot change this publication or the purpose or intent of a Nonappropriated Fund Instrumentality. **(T-0)**

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Chapter 1

GENERAL INFORMATION

1.1. Nonappropriated Funds. Nonappropriated funds (NAFs) are government funds, which are primarily generated by Force Support activities from goods or services provided to Department of Defense military and civilian personnel, and their families. Nonappropriated funds are a separate funding type, different from appropriated funds which are funds appropriated from Congress and recorded by the United States Treasury; nonappropriated funds are separate and apart from funds that are recorded on the books of the United States Treasury. They are not appropriated by Congress. In cases of conflict with other Air Force instructions on using NAFs to support Air Force Force Support Activities, this instruction takes precedence. In the event of conflict with other instructions, submit an advisory through established command channels to AF/A1S for appropriate review.

1.2. Purpose of Air Force Nonappropriated Funds. Use nonappropriated funds for the collective benefit of military personnel, their families, and authorized civilians. These funds support Morale, Welfare, and Recreation programs, lodging, and other programs and Nonappropriated Fund Instrumentalities as defined and authorized in this instruction.

1.3. Nonappropriated Fund Instrumentality. A Nonappropriated Fund Instrumentality is an integral Department of Defense fiscal and organizational entity that performs an essential government function. It acts in its own name to provide, or to help other Department of Defense organizations provide Morale, Welfare, and Recreation and related programs and services. The heads of the service departments establish and operate Nonappropriated Fund Instrumentalities individually or jointly.

1.4. Legal Status of Air Force Nonappropriated Fund Instrumentalities. An Air Force Nonappropriated Fund Instrumentality is an integral part of the Air Force. Nonappropriated Fund Instrumentalities are entitled to all sovereign privileges and immunities of the United States as provided in the Constitution and federal statutes, under international law, in treaties, and in executive agreements. Nonappropriated Fund Instrumentalities are not incorporated under the laws of any state or territory of the United States, District of Columbia, or foreign equivalent. They enjoy the legal status of an instrumentality of the United States.

1.4.1. Nonappropriated Fund Instrumentalities, as instrumentalities of the United States, are not subject to state regulation, taxation or control except in certain specific areas identified in Federal legislation. As a result, Nonappropriated Fund Instrumentalities are not required to, nor shall they, obtain licenses or permits from state or local governments or pay fees or charges to those governments in order to conduct their authorized Nonappropriated Fund Instrumentality activities. Any challenges to compliance with this policy should be immediately reported to the Air Force Services Activity legal staff.

1.5. Nonappropriated Fund Instrumentalities Not Controlled by This Instruction. These entities exist on certain bases, but are not subject to this instruction:

1.5.1. Stars and Stripes Nonappropriated Fund Instrumentalities. Stars and Stripes funds furnish information and news services to personnel serving in their areas of operation.

1.5.2. Army and Air Force Exchange Service and the Chapel Tithes and Offerings Fund, while Nonappropriated Fund Instrumentalities, are not governed by the Air Force nonappropriated fund rules or this publication.

1.6. Nonappropriated Fund Instrumentality Records. All records that Nonappropriated Fund Instrumentalities create and receive are official Air Force records. See the 33-series Air Force Instructions for their creation, use, maintenance, release, and disposition.

1.7. Nonappropriated Fund Contracts. See Air Force Manual 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, for specific nonappropriated fund contracting procedures.

1.8. Delegations. For purposes of this instruction, do not delegate the authorities and responsibilities assigned to specific positions unless specifically authorized. **(T-0)**

Chapter 2

ROLES AND RESPONSIBILITIES

Section 2A—Higher Headquarters Responsibilities

2.1. Basic Authority.

2.1.1. The Secretary of the Air Force gives the Chief of Staff of the Air Force authority to administer Air Force nonappropriated funds and Nonappropriated Fund Instrumentalities. The Air Force Services Council and Air Force Audit Committee provide recommendations to the Chief of Staff of the Air Force or Vice Chief of Staff of the Air Force if delegated on broad issues affecting policy, management, and oversight of nonappropriated funds, Nonappropriated Fund Instrumentalities, Morale, Welfare, and Recreation, and other Nonappropriated Fund Instrumentality programs. In addition, the Air Force Audit Committee provides recommendations to the Chair Air Force Services Council. The Air Force Services Council has an Air Force Nonappropriated Fund Finance Committee and Nonappropriated Fund Investment Subcommittee that provide information/recommendations, as appropriate, to the Air Force Services Council. The Air Force Civilian Welfare Fund and Air Force Fisher House Fund have separate decision-making Boards and are administered under the provision of Air Force Instruction 34-225, *Air Force Services Nonappropriated Fund Governance* except where the applicable Board has provided separate policies or procedures. **(T-0)**

2.1.1.1. Directorate of Services, Headquarters, United States Air Force administers the Air Force Central Fund Nonappropriated Fund Instrumentalities and establishes any new Central Nonappropriated Fund Instrumentalities as required, except where Department of Defense Instruction 1015.15, *Establishment, Management, and Control of Nonappropriated Fund Instrumentalities, and Financial Management of Supporting Resources*, requires this authority to be the Department of Defense Component Head. If the Central Fund Nonappropriated Fund Instrumentality supports Nonappropriated Fund Instrumentalities that are reported in more than one Department of Defense program group, then establishment of that Central Fund Nonappropriated Fund Instrumentality shall be reported to office of Secretary of Defense(Personnel & Readiness).

2.1.2. Directorate of Services, Headquarters, United States Air Force approves establishment and dissolution of all Air Force Nonappropriated Fund Instrumentalities with the exception of base isolated unit funds (**Chapter 11**), the Air Force Fisher House Fund and its subaccounts (**Chapter 13**), and Air Force Civilian Welfare Fund Boards (**Chapter 14**).

2.1.3. Directorate of Services, Headquarters, United States Air Force approves Services activity closures. Follow Air Force Instruction 34-101, *Air Force Morale, Welfare, and Recreation Program Use and Eligibility*, to properly close activities. **(T-1)**

2.2. Commander, Air Force Installation Mission Support Center.

2.2.1. Directs the Air Force Installation Mission Support Center responsibilities of the Commanders Nonappropriated Fund Sustainment Program through Air Force Services Activity Commander. Air Force Installation Mission Support Center will support a membership and functional staff role to the Air Force Nonappropriated Fund Finance committee.

2.2.1.1. Air Force Installation Mission Support Center works in concert with Major Command Vice Chiefs to proactively manage and administer Nonappropriated Fund Instrumentalities and activities under the Commanders Nonappropriated Fund Sustainment Program.

2.2.2. Based on Air Force Services Activity Commander recommendation, coordinates on dissolution of Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentalities and closure and/or altering of Services activities to Directorate of Services, Headquarters, United States Air Force with suggested course of action for Directorate of Services, Headquarters, United States Air Force final disposition. **(T-1)**

2.3. Commander, Air Force Services Activity.

2.3.1. Oversees all Air Force Nonappropriated Fund Instrumentalities worldwide, except for those governed by their respective boards; works in concert with Air Force Installation Mission Support Center Commander and Directorate of Services, Headquarters, United States Air Force.

2.3.2. Executes the Commanders Nonappropriated Fund Sustainment Program. When directed by the Air Force Nonappropriated Fund Finance Committee or Services Council, takes corrective action for Nonappropriated Fund Instrumentalities or activities under review.

2.3.2.1. Works in concert with the Major Command Manpower, Personnel, and Services Directors and installation commanders to proactively manage and administer Nonappropriated Fund Instrumentalities and activities under the Commanders Nonappropriated Fund Sustainment Program

2.3.3. Air Force Services Activity Commander recommends dissolution of installation Morale, Welfare, and Recreation Nonappropriated Fund Instrumentalities and Lodging Funds; and closure and/or altering of Services activities to Air Force Installation Mission Support Center Commander and Directorate of Services, Headquarters, United States Air Force with suggested course of action for Directorate of Services, Headquarters, United States Air Force final disposition. Request for activity closures should be fully vetted to ensure installations maintain proper and sufficient Morale, Welfare, and Recreation capabilities to all eligible installation personnel.

2.3.4. Ensures all Nonappropriated Fund Instrumentalities within the Air Force protect assets as required by Air Force Instruction 31-101, Integrated Defense (For Official Use Only), and Air Force Instruction 34-202, Procedures for Protecting Nonappropriated Fund Assets.

2.3.5. Serves as the Trustee to the Nonappropriated Fund Employee Retirement Plan Trust and the Nonappropriated Fund Employees Savings Plan Trust with all of their associated duties and responsibilities.

2.3.6. Directs the Air Force Services Activity responsibilities of the Commanders Nonappropriated Fund Sustainment Program.

2.3.7. Air Force Services Activity Commander designates and appoints the Air Force Central Funds Nonappropriated Fund Instrumentality custodian in writing. **(T-1)**

2.4. Installation Commander. For the purpose of this instruction, the installation commander is the wing commander or equivalent. The site commander is considered the installation commander at isolated and remote sites. The installation commander supervises and administers the establishment, operation, and dissolution of installation Nonappropriated Fund Instrumentalities and:

2.4.1. Requests establishment of Nonappropriated Fund Instrumentalities at installation-level, which request will be staff to Air Force Services Activity who will, in turn coordinate with the Major Command and Air Force Installation Mission Support Center for Directorate of Services, Headquarters, United States Air Force approval.

2.4.2. Approves, disapproves, or amends meeting minutes and other Nonappropriated Fund council recommendations.

2.4.3. Assures personnel responsible for nonappropriated funds comply with Department of Defense 5500.07-R, *Joint Ethics Regulation (JER)*.

2.4.4. Redistributes excess Nonappropriated Fund Instrumentality assets according to this instruction. Disposes of Nonappropriated Fund Instrumentality assets according to Air Force Instruction 34-204, *Property Management*. Utilizes the guidance for other efficient means of Nonappropriated Fund property disposition via <https://international.godove.com/AssetZone>. Contacts Air Force Services Activity lodging operations and financial manager before disposing of any lodging fund property.

2.4.5. Ensures that other armed services' members supported by the installation are given support according to Department of Defense Instruction 1015.15. See Air Force Instruction 25-201, *Intra-Service, Intra-Agency, and Inter-Agency Support Agreements Procedures*, for guidance on host-tenant agreements. All service members located at a Joint Base location are hosted according to the Supporting Component's rules, policies and procedures.

2.4.6. Approves or delegates authority to approve nonappropriated fund travel orders to the Force Support Squadron commander or director. **(T-1)**

2.4.7. Directs the Financial Manager/Comptroller to process payment to the installation Morale, Welfare, and Recreation Fund for its share of proceeds from the installation quality recycling program (see Air Force Instruction 34-204, *Property Management*, if applicable). Ensures quality recycling program funds are expended for the intended purpose: an installation-wide event, program or project that benefits a majority of the installation.

2.4.8. Ensures nonappropriated fund expenditures do not exceed available funds and is ultimately responsible for the solvency of installation Nonappropriated Fund Instrumentalities. When Nonappropriated Fund Instrumentalities fall below Air Force financial standards, ensures Nonappropriated Fund Instrumentalities and activities implement plans to bring them up to or above standard.

2.4.8.1. Reviews the programmed installation activity structure when faced with long-term financial losses. Based on projected needs, advises higher headquarters which nonappropriated fund activities are needed and economically viable and which activities are no longer fiscally prudent to maintain.

2.4.8.2. Follows Air Force Instruction 34-101, to properly close activities. Ensures Generally Accepted Accounting Principles are followed when closing activities. Establishes severance pay accounts as soon as closure of an activity has been identified.

2.4.9. Ensures funds are distributed through the use and approval of nonappropriated fund requirements, income and expense, and cash flow budgets using sound financial management, without personal influence or prejudice.

2.4.10. Implements recommendations made as a result of staff assistance visits or explain why the recommendations were not implemented to higher headquarters.

2.4.11. Reviews the programmed base-force structure when it is reduced by congressional action or other Air Force directed mission changes; i.e. closure or drawdown. Makes recommendations to Air Force Services Activity Commander on which activities are needed and economically feasible for the remaining population.

2.4.11.1. Ensures needs are verifiable nonappropriated fund expenses under closure circumstances. Identifies authorized appropriated fund support/reimbursement. Ensures proper documentation is maintained so the Nonappropriated Fund Instrumentality is fully supported during a Base Realignment or Closure action.

2.4.12. Oversees and monitors activities and Nonappropriated Fund Instrumentalities to proactively manage fiscal health. If activities/Nonappropriated Fund Instrumentalities are identified in Commanders Nonappropriated Fund Sustainment Program, will meet required gates and take steps to improve financial condition of affected activities/Nonappropriated Fund Instrumentalities.

2.4.12.1. Engages required support staffs; Base Comptroller, Force Support Squadron, Mission Support Group to actively work Commanders Nonappropriated Fund Sustainment Program.

2.4.12.2. Uses Nonappropriated Fund Council setting to work Commanders Nonappropriated Fund Sustainment Program.

2.4.12.3. Directs Mission Support Group Commander and Force Support Squadron Commander/Deputy use of Air Force Services Activity Commanders Nonappropriated Fund Sustainment Program tool kit.

2.4.13. Ensures Base Comptroller maintains an installation nonappropriated fund oversight program.

2.5. Designating and Appointing the Nonappropriated Fund Instrumentality Custodian.

2.5.1. Officials of the United States Government manage and maintain custody of nonappropriated funds and ensure their proper protection, accountability, and use.

2.5.1.1. Each installation has a nonappropriated fund custodian. The nonappropriated fund custodian is responsible for Nonappropriated Fund Instrumentalities covered by this publication on the installation, unless specifically stated in this publication. The custodian uses and ensures use of nonappropriated fund assets only for the purposes stated in this and other applicable instructions. Air Force Services Activity Directorate of Financial

Management and Comptroller is the custodian of the Air Force Central Funds Nonappropriated Fund Instrumentalities. Custodians are not, solely by virtue of their office, charged with the actual conduct of the various programs, activities, and services that are supported by the Nonappropriated Fund Instrumentalities they oversee.

2.5.1.2. Name a custodian at the highest level of executive control that can properly survey, effectively manage, and discharge its obligations. Select custodians (and others who occupy positions of nonappropriated fund trust) based on capability and integrity.

2.5.1.3. Custodians use all appropriate directives and implementing instructions in the fiscal administration of a Nonappropriated Fund Instrumentality.

2.5.2. The Installation Commander designates and appoints the Nonappropriated Fund Instrumentality custodian in writing. **(T-1)**

2.5.2.1. At installation-level, the Resource Manager is the single custodian of all Nonappropriated Fund Instrumentalities serviced by the Nonappropriated Fund Accounting Office. The custodian to the Air Force Central Fund Nonappropriated Fund Instrumentalities must also be appointed in writing. **Exception:** For off-installation isolated unit funds, the custodian is the Resource Manager of the servicing Nonappropriated Fund Accounting Office or other individual formally designated by the establishing authority (see [paragraph 2.1.2](#)).

2.5.2.2. Recommend the Resource Manager have at least 12 semester hours of college-level accounting courses or similar work experience. This requirement must be written into applicable position descriptions.

2.5.2.3. The installation commander designates the Force Support Squadron commander or equivalent as custodian instead of the Resource Manager, when it is in the best interest of nonappropriated fund management. See Air Force Instruction 34-209, *Nonappropriated Fund Financial Management and Accounting*, for how to change custodianship. **(T-1)**

2.5.2.4. Appointment of a military member as custodian is encouraged when a manpower authorization does not exist specifically for the custodian position. The minimum authorized military grades (or civilian equivalents) for custodian positions are:

2.5.2.4.1. Commissioned officer on an installation that does not have a Resource Manager to serve as custodian.

2.5.2.4.2. Chief Master Sergeant, Senior Master Sergeant, or civilian for an installation Morale, Welfare, and Recreation Fund if the Force Support Squadron commander or equivalent is the only commissioned officer assigned to the installation Force Support Squadron.

2.5.2.4.3. Master Sergeant or above or the unit's First Sergeant, regardless of grade, for a unit Morale, Welfare, and Recreation Fund. For a unit without a First Sergeant, the senior Noncommissioned Officer is the custodian. **NOTE:** These rules also apply to an alternate or acting custodian. Air Force Services Activity Directorate of Financial Management and Comptroller approves waivers to grade requirements for fund custodians. **(T-1)**

2.5.2.5. All custodians, including those assigned as alternate or acting custodians, must be United States citizens.

2.5.2.6. The Financial Manager/Comptroller, who disburses appropriated funds, will not be a nonappropriated fund custodian, at the installation level or any level.

2.5.2.6.1. Nonappropriated Fund Accounting Office (or equivalent) personnel, whether nonappropriated fund or appropriated funded must report and be accountable to Force Support Squadron leadership. Working for and or falling under the Financial Manager/Comptroller organization is a conflict of interest.

2.5.2.7. Personnel who audit or perform formal financial inspections of Nonappropriated Fund Instrumentalities will not be custodians of Nonappropriated Fund Instrumentalities they audit or inspect.

Section 2B—Nonappropriated Fund Instrumentality Custodian

2.6. Nonappropriated Fund Instrumentality Custodian Responsibilities. The custodian's duties include, but are not limited to:

2.6.1. Receiving, safeguarding, and disbursing funds and other nonappropriated fund assets of the Nonappropriated Fund Instrumentality according to this instruction, Air Force Instruction 34-209 and other appropriate Air Force instructions.

2.6.2. Presenting financial plans, nonappropriated fund income and expense budgets, to include fees and charges, cash flow and capital requirements budgets, results from operations, and management reports to the Nonappropriated Funds Council and/or any sub-committees of the Nonappropriated Funds Council showing each Nonappropriated Fund Instrumentality's financial status.

2.6.3. Presenting an agenda of business to the Nonappropriated Funds Council, reporting and recording any out-of-session actions, preparing the minutes of each meeting, and presenting the minutes for approval (see [Attachment 2](#) for an example of minutes).

2.6.4. Performing oversight of the contracting actions for their respective Nonappropriated Fund Instrumentalities within the limits of Air Force Manual 64-302. Contracting officers, other than custodians, must not obligate any Nonappropriated Fund Instrumentality funds without specific written authorization from the Nonappropriated Fund Instrumentality custodian or designee.

2.6.5. Developing plans with appropriate activity managers, Force Support Squadron commanders, or directors to bring the financial performance of installation activities or Nonappropriated Fund Instrumentalities up to, or above, the minimum standards included in Commanders Nonappropriated Fund Sustainment Program. Ensures the activity manager submits plans for approval, and implements the approved recommendations.

2.6.6. Performs appropriated fund support reviews including (1) A semi-annual review of the civilian pay query report that lists employees by Social Security Number and is grouped by cost center including total payroll costs for Morale, Welfare, and Recreation Fund and Lodging (i.e., R60, Civilian Pay Desire Report, or Civilian Personnel Business Objects Report); (2) periodic review of the Unit Manning Personnel Roster to ensure Force Support Squadron nonappropriated fund related employees are assigned to the correct cost center; (3) annual review of the Utility Sales Agreement established with Civil Engineer to ensure appropriate charges are made by reviewing the method of computing charges which takes into

consideration any renovations and new facilities with more efficient energy use (Continental United States). Review memorandum of understanding between Civil Engineer and Force Support Squadron to ensure it is in place and current. **NOTE:** Each Nonappropriated Fund Instrumentality in the Air Force has a council responsible to the commander or other appointing authority for assisting in the oversight and administration of the Nonappropriated Fund Instrumentality. Nonappropriated Fund Councils and Advisory Committees have those responsibilities outlined in this instruction, other Air Force instructions and directives in the 34-series, and those assigned by the appointing authority. Department level governance committees are outlined in Air Force Instruction 34-225, *Air Force Services Nonappropriated Fund Governance*.

Section 2C—Nonappropriated Fund Councils and Advisory Committees.

2.7. Nonappropriated Fund Councils: Councils/committees help commanders at each level carry out their nonappropriated fund management responsibilities.

2.7.1. Establish a single Nonappropriated Fund Council on the installation for all the Nonappropriated Fund Instrumentalities for which the custodian is responsible. Ensure the council has the proper representation for those respective funds, i.e., Morale, Welfare, and Recreation Fund and Civilian Welfare Funds. If incorporated into one council, a minimum of two additional representatives will be appointed from the civilian workforce, one with the appropriate supervisory/leadership qualifications and one mid-level supervisor/leader. Note that Fisher Houses are run as a singular Air Force Central Nonappropriated Fund Instrumentality; all budgets (income and expense and capital requirements), and purchases are approved by the Air Force Fisher House Board, not the local Nonappropriated Fund Council.
(T-1)

2.7.1.1. The installation commander appoints the following voting members in writing:
(T-1)

2.7.1.1.1. The council chairperson.

2.7.1.1.2. The installation comptroller.

2.7.1.1.3. The Force Support Squadron commander or director.

2.7.1.1.4. The Command Chief Master Sergeant.

2.7.1.1.5. Two additional members, one of whom must be an enlisted person.

2.7.1.2. The installation commander appoints the following non-voting support personnel in writing:

2.7.1.2.1. The staff judge advocate, servicing contracting officer, and Nonappropriated Fund Financial Analyst as advisors.

2.7.1.2.2. The Resource Manager as the recorder.

2.7.1.3. Commanders may expand voting and non-voting membership on an installation Nonappropriated Fund Council on a conservative basis to include additional members such as the installation civil engineer or chaplain. The Human Resource Office or designee may be required to act as an advisor for nonappropriated fund civilian personnel policy and procedural matters.

2.7.1.4. Conduct installation Nonappropriated Fund Council meetings at least quarterly with a quorum of at least two-thirds of the voting members in session. The council meetings may be conducted in person or virtual (telecom or video teleconference), but the council must meet in person at least once per year. Minutes of each meeting, whether virtual or in person, must be maintained, to include agenda, roll call, quorum, briefing slides, documented dialogue and signed minutes in the Life of the Fund File. **(T-1)**

2.7.2. Nonappropriated Fund Instrumentalities/isolated unit funds not under the responsibility of an installation Nonappropriated Fund Council will have their own Nonappropriated Fund Council. These Nonappropriated Fund Instrumentalities may be in an isolated area or have been exempted from installation Nonappropriated Fund Council jurisdiction but must follow the same guidelines as above and keep the necessary documentation. **(T-1)**

2.7.2.1. Installations with special Nonappropriated Fund Instrumentalities may handle their council meetings accordingly, always ensuring proper representation and required actions are met.

2.7.2.2. Such councils have at least three members (minimum of one commissioned officer) who are appointed in writing and meet when called by the site or unit commander or chairperson, at least annually. Recommend a site appoint in writing the offices of the local assigned comptroller, judge advocate, and/or Nonappropriated Fund Financial Analyst to this council. **(T-1)**

2.7.2.3. The Nonappropriated Fund Instrumentality custodian acts as the recorder and presents the agenda.

2.7.2.4. The site or unit commander approves Nonappropriated Fund Council meeting minutes.

2.7.2.5. As applicable, the Force Support Squadron commander or director, flight chiefs, or activity managers execute the approved Nonappropriated Fund Council decisions.

2.8. Advisory Committees. Advisory committees, such as those for clubs or golf, act as program advisors to operational managers. Their duties, procedures, composition, and specific responsibilities are defined in other Air Force Instruction 34-series instructions. Air Force Policy Directive 90-14, *Committee Management Act*, requires Government advisory committees and councils which include persons who are not officers or Federal employees to comply with requirements that are impractical for Air Force Services and related advisory committees. However, such committees and councils may include military family members and military retirees and family members and still remain exempt from the Act's administrative requirements. Limit advisory committee membership to Federal Governmental personnel and members of military families and military retirees and their family members. **(T-2)**

Section 2D—Auditing and Inspecting Nonappropriated Fund Instrumentalities

2.9. Cooperating with Audits, Inspections and Reviews.

2.9.1. Nonappropriated Fund Instrumentalities at all levels of command are subject to audit as outlined in Air Force Policy Directive 65-3, *Internal Auditing*, and to normal inspection by commanders, inspectors, and other representatives of commanders. The Air Force Audit Agency and contracted civilian Certified Public Accountant firms periodically review and

audit Nonappropriated Fund Instrumentalities according to Air Force Instruction 65-301, *Audit Reporting Procedures*, and Air Force Instruction 65-403, *Followup on Internal Air Force Audit Reports*, to make sure each of the functions meets current needs in a manner consistent with sound business practices. These audits meet the standards required by Government Auditing Standards issued by the United States Government Accountability Office. Nonappropriated Fund Instrumentalities are provided oversight through the Nonappropriated Fund Oversight Program as a responsibility of the Comptroller as outlined in Air Force Instruction 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*. Other organizations also provide reviews like Program Management Reviews from Air Force Services Activity.

2.9.1.1. Nonappropriated Fund Instrumentality custodians cooperate as requested with representatives of:

2.9.1.1.1. The Air Force Audit Agency.

2.9.1.1.2. Office of Special Investigation.

2.9.1.1.3. Inspector General.

2.9.1.1.4. The Contract Audit Management Office and Air Force-contracted public accounting firms.

2.9.1.1.5. The General Accounting Office.

2.9.1.1.6. Installation Comptroller and Nonappropriated Fund Financial Analyst.

2.9.1.1.7. Program Management Review teams.

2.9.1.2. The appropriate commander refers suspected mishandling of nonappropriated funds and Nonappropriated Fund Instrumentality property and violations of standards of conduct to the Office of Special Investigations. Commanders also ensure compliance with Air Force Instruction 34-202 for losses of Nonappropriated Fund Instrumentality assets.

2.9.1.3. Air Force Services Activity Financial Management and Comptroller notifies the appropriate Air Force Audit Agency chief when Nonappropriated Fund Instrumentalities are established or dissolved.

2.10. Enforcing Quality Control. Air Force Services Activity Commander requests the Force Support Squadron commander or director to appoint a Quality Assurance Evaluator from the Resource Management Office in preparation for a Public Accountant Contract Audit. After notification of the appointment, Air Force Services Activity Commander provides the quality assurance evaluator with an instructional package. The quality assurance evaluator coordinates with the Public Accountant Contract Auditors based on the information package.

2.11. Audit Focal Point. The Installation Comptroller Financial Manager is the audit focal point on an installation. The financial manager assists the quality assurance evaluator and activity managers during audits and report preparation.

Chapter 3

ESTABLISHING AND DISSOLVING NONAPPROPRIATED FUND INSTRUMENTALITIES

Section 3A—Establishing Nonappropriated Fund Instrumentalities

3.1. Basic Procedures.

3.1.1. Chief of Staff of the Air Force under the authority of the Secretary of the Air Force:

3.1.1.1. Establishes Air Force Nonappropriated Fund Instrumentalities that are under the purview of the Air Force Services Council. The Air Force Civilian Welfare Fund Board establishes Air Force civilian Nonappropriated Fund Instrumentalities. The Air Force Fisher House Fund, chartered by Secretary of the Air Force, is a Central Nonappropriated Fund Instrumentality with subaccounts at each Air Force installation with a Fisher House.

3.1.1.2. Determines the official designations and categories of these and other Air Force Nonappropriated Fund Instrumentalities in accordance with Congressional and Department of Defense guidance in conjunction with Deputy Assistant Secretary of the Air Force for Cost and Economics.

3.1.1.3. Administers Air Force-level Nonappropriated Fund Instrumentalities except for the Air Force Civilian Welfare Fund and Air Force Fisher House Fund. Certain Air Force Nonappropriated Fund Instrumentalities are successor Nonappropriated Fund Instrumentalities ([paragraph 3.3](#)) for other Nonappropriated Fund Instrumentalities.

3.1.2. Directorate of Services, Headquarters, United States Air Force approves the establishment and dissolution of all Nonappropriated Fund Instrumentalities, except for an Air Force Central Fund Nonappropriated Fund Instrumentality, reported in the special purpose program group. A special purpose Nonappropriated Fund Instrumentality is a central fund Nonappropriated Fund Instrumentality that supports all other Nonappropriated Fund Instrumentalities, for example, the Air Force Insurance Fund.

3.1.3. Nonappropriated Fund Instrumentalities below Headquarters United States Air Force level created after 1 October 1988 must have a charter ([Attachment 3](#)) signed by the official who authorized the Nonappropriated Fund Instrumentality, e.g., the Major Command commander. This authority is called the chartering authority.

3.1.3.1. In a request for the chartering of a Nonappropriated Fund Instrumentality, include:

3.1.3.1.1. The proposed purpose of the Nonappropriated Fund Instrumentality.

3.1.3.1.2. A clear justification of how the Nonappropriated Fund Instrumentality is necessary to meet Air Force program objectives.

3.1.3.1.3. Types of functional activities the Nonappropriated Fund Instrumentality will conduct.

3.1.3.1.4. Successor Nonappropriated Fund Instrumentality ([paragraph 3.3](#)).

3.1.3.1.5. A financial plan to operate the supported activities. **NOTE:** Nonappropriated Fund Instrumentalities established before or initially established as a result of implementation of the installation Morale, Welfare, and Recreation Fund concept or Air Force reorganization/restructure are not affected by this paragraph's requirement, but disestablishment is according to this instruction.

3.1.4. Each Nonappropriated Fund Instrumentality official title must be standard. Prefix Nonappropriated Fund Instrumentality titles by the applicable installation or isolated unit's official name; for example, Holloman Air Force Base Morale, Welfare, and Recreation Fund.

3.2. Categorizing Nonappropriated Fund Instrumentalities and Activities. (See Air Force Instruction 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFIS)*, for categories of Nonappropriated Fund Instrumentalities and activities.) Categorize Nonappropriated Fund Instrumentalities and activities to: **(T-0)**

3.2.1. Ensure uniformity and standardization.

3.2.2. Promote an understanding of the relationships of Nonappropriated Fund Instrumentalities to the activities they support.

3.2.3. Identify requirements authorized appropriated fund support for Morale, Welfare, and Recreation or other activities within each category.

3.3. Successor Nonappropriated Fund Instrumentalities: Establish Nonappropriated Fund Instrumentalities through the successive delegation of authority through command channels. To encourage responsive, responsible, and solvent Nonappropriated Fund Instrumentality financial administration each Nonappropriated Fund Instrumentality has a successor Nonappropriated Fund Instrumentality at either the installation, or at Headquarters United States Air Force level. **(T-0)**

3.3.1. A successor Nonappropriated Fund Instrumentality:

3.3.1.1. Provides the initial assets to establish a new subordinate Nonappropriated Fund Instrumentality. Identify the successor Nonappropriated Fund Instrumentality in each new Nonappropriated Fund Instrumentality's charter.

3.3.1.2. Acts on requests from its subordinate organizations for support or assistance.

3.3.1.3. Receives, directs, or redistributes the disposition of residual/excess assets of dissolved Nonappropriated Fund Instrumentalities as authorized for the type of Nonappropriated Fund Instrumentality involved for which it is the successor Nonappropriated Fund Instrumentality.

3.3.1.4. Ensures all debts of the dissolved Nonappropriated Fund Instrumentality are settled.

3.3.1.5. Notifies the successor Nonappropriated Fund Instrumentality custodian immediately when it intends to request approval for the dissolution of a Nonappropriated Fund Instrumentality. The custodian of the dissolving Nonappropriated Fund Instrumentality ensures that no one wastes the Nonappropriated Fund Instrumentalities assets.

3.3.2. Names and relationships of successor Nonappropriated Fund Instrumentalities are as follows:

3.3.2.1. The Air Force Morale, Welfare, and Recreation Fund is the successor Nonappropriated Fund Instrumentality for all Nonappropriated Fund Instrumentalities in the Military Morale, Welfare, and Recreation Program Group; this includes all installation Morale, Welfare, and Recreation Funds; the Air Force Base Capital Improvement Fund, the Air Force Marathon Fund and any new Nonappropriated Fund Instrumentalities established meeting the definition of this program group.

3.3.2.2. The Air Force Lodging Fund is the successor Nonappropriated Fund Instrumentality for all Nonappropriated Fund Instrumentalities in the Lodging Program Group; this includes all installation lodging funds, the Air Force Fisher House Fund and its sub-accounts and any new Nonappropriated Fund Instrumentalities established meeting the definition of this program group. The Air Force Lodging Fund pays severance at closing installations for the installation lodging fund.

3.3.2.3. The Air Force Civilian Welfare Fund is the successor fund for the Civilian Morale, Welfare, and Recreation Program Group; this program group includes all installation Civilian Welfare Funds and any new Nonappropriated Fund Instrumentalities established meeting the definition of this program group.

3.3.2.4. The Air Force Financial Management Fund is the successor fund for the Special Purpose Program Group. This includes the Air Force Insurance Fund and any new Nonappropriated Fund Instrumentalities established meeting the definition of this program group.

3.3.2.5. The Air Force Morale, Welfare, and Recreation Fund is the successor fund for the Supplemental Mission Program Group. This group includes the Air Force Mission Essential Feeding Fund, United States Air Force Academy Athletic Association Fund, United States Air Force Cadet Dining Fund, Maxwell Dependent School Lunch Fund and any new Nonappropriated Fund Instrumentality established meeting the definition of this program group.

3.3.2.6. The Air Force Savings Plan Trust and the Air Force Employee Retirement Plan Trust are not defined by a Department of Defense 1015.15 program group. These plans are governed by their respective trust documents and the appointed Trustee.

3.3.3. Specify any deviation from successor relationships identified in this instruction in the charter and get prior approval for the deviation from Directorate of Services, Headquarters, United States Air Force. **(T-1)**

Section 3B—Types of Nonappropriated Fund Instrumentalities

3.4. Morale, Welfare, and Recreation Nonappropriated Fund Instrumentalities. Appropriated funds, nonappropriated funds, and a combination of appropriated funds and nonappropriated funds fund Morale, Welfare, and Recreation programs, activities, and facilities, depending on their nature.

3.4.1. The custodian, with appropriate input, determines whether Morale, Welfare, and Recreation or other authorized activities proposed for nonappropriated fund funding fit the criteria for support stated in this instruction. Sources of funds include:

3.4.1.1. Army and Air Force Exchange Service pays a central dividend to the Air Force Morale, Welfare, and Recreation Fund; in-turn, based on an approved distribution method, an allocation is paid monthly to the installations on a cash basis through the Cash Management and Investment Program. .

3.4.1.2. Local fees, charges, membership dues, and proceeds from the sale of merchandise and services from Morale, Welfare, and Recreation activities. This income remains at the installation where the proceeds are generated to support Morale, Welfare, and Recreation programs and activities.

3.4.1.3. Contributions, donations and commercial sponsorship.

3.4.1.4. Income from other sources, including concessionaire-operated activities.

3.5. Installation Morale, Welfare, and Recreation Funds. The installation Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentality receives, administers, and disburses funds to help finance Morale, Welfare, and Recreation activities and programs at installation-level for their installation and installations under their scope of responsibility. See authorized expenditures in [Chapter 4](#). Income is derived from:

3.5.1. Reimbursements from higher headquarters Nonappropriated Fund Instrumentalities.

3.5.2. Income, such as participation fees, charges and proceeds from the sale of merchandise and services ([paragraph 4.4](#)).

3.5.3. Other sources, including concessionaire-operated activities.

3.5.4. Gaming proceeds (overseas).

3.5.5. Contributions, donations ([Chapter 5](#)), and commercial sponsorship (see Air Force Instruction 34-108).

3.5.6. Residual assets of dissolved or inactivated subordinate unit Morale, Welfare, and Recreation funds or other dependent Nonappropriated Fund Instrumentalities.

3.5.7. Membership dues.

3.5.8. Army and Air Force Exchange Service allocation from the Air Force Morale, Welfare, and Recreation Fund.

3.5.9. Appropriated fund support for authorized nonappropriated fund services rendered under 10 United States Code 2491/2492, Nonappropriated Fund Instrumentality Memorandum of Agreement or Uniform Funding Management practice.

3.6. New Programs. If a proposed program is not covered by an existing cost center, submit a brief description of the program to the Air Force Services Activity Financial Management and Comptroller Directorate for review and approval.

3.6.1. Air Force Services Activity Financial Management and Comptroller Directorate with consultation from Assistant Secretary of the Air Force for Cost and Economics, Business Management Division, if needed, assigns the proper appropriated fund support category and Cost Center. The request is evaluated for its impact on the Air Force insurance coverage as well as premiums. Air Force Services Activity Commander provides additional guidance on how to conduct the new program(s).

3.7. Isolated Unit Funds. Unit-level Morale, Welfare, and Recreation funds are authorized for active Air Force units that are designated as isolated. The Air Force Morale, Welfare, and Recreation Fund provides support to Air National Guard units. Income and expenditures are the same as for installation Morale, Welfare, and Recreation funds (**Chapter 11**).

3.8. Air Force Lodging Fund Nonappropriated Fund Instrumentality. The Air Force Lodging Fund allows the use of Air Force-wide resources for needed installation lodging improvements. The room night assessment covers construction of Visiting Quarters (with approved waivers) and Temporary Lodging Facilities. The Air Force Lodging Fund funds the whole room and soft good replacements for rooms at Air Force Inns on a cyclical basis. The Air Force Lodging Fund manages cash for all Air Force lodging Nonappropriated Fund Instrumentalities. The rates for Air Force lodging are approved by the Deputy Assistant Secretary of the Air Force for Cost and Economics and centrally managed by Air Force Services Activity Commander. All budgets for installation lodging Nonappropriated Fund Instrumentalities are managed through this process and not approved by the installation Nonappropriated Fund Council. However, the installation Nonappropriated Fund Council is briefed on the Lodging budget and monitors its financial performance. In addition, the Nonappropriated Fund Financial Analyst also reviews the lodging budget prior to submission to the Air Force Services Activity. **(T-0)**

3.8.1. Do not invest installation-level lodging funds. The Air Force Lodging Fund has the only investment account for lodging funds in the Air Force. It receives all interest earned including that on Cash Management Investment Program demand deposits. Air Force Lodging Fund is charged with managing cash for all lodging operations. Cash accumulation will be minimized at the installation

3.8.2. Each installation-level lodging fund maintains Cash Management Investment Program deposits to cover normal operating expenses. When necessary, the Air Force transfers cash to the Air Force Lodging Fund. This can be daily, weekly, but at a minimum monthly. Cash management for the installation and Air Force lodging funds is the responsibility of the Air Force Services Activity Financial Management and Comptroller Directorate.

3.9. Installation Lodging Nonappropriated Fund Instrumentalities. An installation may establish a Lodging Nonappropriated Fund Instrumentality only with the review of Air Force Services Activity Commander and approval of Directorate of Services, Headquarters, United States Air Force and Assistant Secretary of the Air Force for Cost and Economics, where economically feasible, and the Air Force Lodging enterprise can support the Nonappropriated Fund Instrumentality.

3.9.1. Installation Lodging Nonappropriated Fund Instrumentalities operate to the budget included in the current Assistant Secretary of the Air Force for Cost and Economics approved rate package for that Lodging Nonappropriated Fund Instrumentality. Under the centralized Lodging program, it is acknowledged some lodging operations will operate at a loss based on the size and limited occupancy as approved by Assistant Secretary of the Air Force for Cost and Economics within the rate package. Approved budgets are maintained and routinely posted by Air Force Services Activity Financial Management and Comptroller Directorate on

the Air Force Services Activity portal. This is the budget installation lodging managers must use on a day-to-day basis. Lodging managers with installation staff are required to address problem areas that arise (cost of labor, etc.) and take corrective action(s). Commanders Nonappropriated Fund Sustainment Program will include criteria for measuring Lodging at the installation.

3.9.1.1. If an installation has significant factors that change previously submitted budgets (i.e., buildings closed for renovation or permanently lost, change in mission which affects occupancy, etc.), those changes must be submitted through the installation Resource Manager, approved by the Force Support Squadron Commander/Director or Deputy, submitted to Air Force Services Activity Operations and Financial Management and Comptroller Directorate for review, and then forwarded to Assistant Secretary of the Air Force for Cost and Economics, Business Management Division. The status of lodging program is briefed to the installation Nonappropriated Fund Council. Local leadership is still required for lodging operations. **(T-1)**

3.9.1.2. Air Force Services Activity Financial Management and Comptroller Directorate maintains the official copy of the submitted/approved lodging rate package budget for each installation. Air Force Services Activity Financial Management and Comptroller Directorate will make the changes to the budgets once reviewed and approved by Air Force Services Activity staff and then post the revised budget to the Uniform Resource Locator listed above for the installation lodging manager, resource manager and nonappropriated fund financial analyst to access.

3.9.1.3. Significant deviations in either direction from the approved budget, jeopardize the authenticity of the approved rate. Adherence to budget to actual performance is critical to cash flow projections, which affects the ability to recapitalize, meet standards and take care of customers.

3.9.2. Small lodging activities (maximum of 15 rooms) may be satellites of another installation's Lodging Nonappropriated Fund Instrumentality when approved by Air Force Services Activity Commander.

3.9.3. Small lodging operations (15 rooms and less) may be run out of the installation Morale, Welfare, and Recreation Fund as a Morale, Welfare, and Recreation Category C program and not included in the Air Force centralized Lodging program.

3.9.4. Lodging activities may be converted to recreational lodging and operated out of the Morale, Welfare, and Recreation Fund with sufficient justification, appropriate coordination and an approved economic analysis in accordance with Air Force Instruction 65-501, *Economic Analysis*. The Morale, Welfare, and Recreation Fund must make the Lodging fund whole and pay for any undepreciated assets, prepaid supplies, and other transferrable assets in this conversion process. Submit a package for conversion to Air Force Services Activity Operations Directorate, Financial Management and Comptroller Directorate and Air Force Installation and Mission Support Civil Engineers for coordination and approval by Air Force Services Activity Commander.

3.10. Air Force Fisher House Fund. Fisher House provides temporary lodging for families of patients who are hospitalized for complicated/critical medical problems, or when transitioning through the Air Force Mortuary at Dover Air Force Base. See [Chapter 13](#) for specific guidance on these facilities. Fisher Houses at installations are part of the Air Force Fisher House Fund. This enterprise is one Nonappropriated Fund Instrumentality, with one functioning balance sheet at the central fund level. Local Fisher House operations cannot be held to a bottom line Net Income Adjusted for Depreciation profit goal. Managing budget to actual in expense categories is the best management and indicator tool for installation Fisher House's.

3.11. United States Air Force Academy Air Force Academy Athletic Association. The Resource Manager at the 10th Force Support Squadron works closely with the Air Force Audit Agency staff and the United States Air Force Academy Athletic Director to control, operate, and supervise this Nonappropriated Fund Instrumentality in accordance with all Air Force Nonappropriated Fund Instrumentality policies, noting any exceptions that have been incorporated into the United States Air Force Academy supplements to the Air Force Policy Directive, Air Force Instruction, or Air Force Manual, and approved by the Air Force Secretariat or Air Staff Office of Primary Responsibility for deviations from standard practices.

3.11.1. Specific functions, once performed by the United States Air Force Academy Athletic Association Nonappropriated Fund Instrumentality, are now operated and funded by a private 501(c)3 organization under Colorado State law.

3.11.2. Limited functions are still performed by the United States Air Force Academy Athletic Association Nonappropriated Fund Instrumentality. Unless changed by a National Defense Authorization Act or appropriate governing body, the Nonappropriated Fund Instrumentality will continue to perform these functions. This Nonappropriated Fund Instrumentality is supported by the 10th Force Support Squadron. Its accounting system is the Air Force Services Financial Management System and it must participate in Cash Management Investment Program.

3.12. Cadet Dining Hall Fund . The income/expenses of this special Nonappropriated Fund Instrumentality, located at the United States Air Force Academy, are used only to support the operation of the Cadet Dining Hall.

3.13. Civilian Welfare Funds. The purpose of these Nonappropriated Fund Instrumentalities is to financially support Morale, Welfare, and Recreation programs dedicated for Department of Defense civilian employees. The Civilian Welfare Fund is authorized by Department of Defense resale policy to operate on installations, in buildings, or in areas where the workforce is predominantly civilian (see [Chapter 14](#) for specific guidance).

3.13.1. Guidance in this instruction applies to Civilian Welfare Funds, unless specified in [Chapter 14](#) of this publication.

3.14. Headquarters United States Air Force Special Fund (Pentagon) Nonappropriated Fund Instrumentality. This Nonappropriated Fund Instrumentality receives income from the Department of Defense Concession Committee. Its income/expenses support the Headquarters United States Air Force Morale, Welfare, and Recreation Activities.

3.15. Air Force Marathon Nonappropriated Fund Instrumentality. This Nonappropriated Fund Instrumentality is a Military Morale, Welfare, and Recreation program group Nonappropriated Fund Instrumentality. It receives its support from Wright-Patterson Air Force Base. The marathon is a mixed-use Nonappropriated Fund Instrumentality receiving both appropriated fund and nonappropriated fund support. Using nonappropriated funds in lieu of appropriated funds requires a waiver to fund source. Refer to the table in Air Force Instruction 65-106 on proper appropriated fund support to Morale, Welfare, and Recreation activities. **(T-1)**

3.16. Air Force Mission Essential Feeding Fund Nonappropriated Fund Instrumentality. A Centralized Nonappropriated Fund Instrumentality authorized to support the essential feeding program encompassing the Air Force Food Transformation Program.

Section 3C—Dissolving Nonappropriated Fund Instrumentalities

3.17. Basic Procedures.

3.17.1. The appropriate commander requests Nonappropriated Fund Instrumentality dissolution through Air Force Services Activity:

3.17.1.1. The Nonappropriated Fund Instrumentality becomes insolvent and there is no opportunity for solvency.

3.17.1.2. The Nonappropriated Fund Instrumentality is no longer needed.

3.17.1.3. Dissolution is in the best interest of the Air Force.

3.17.2. Air Force Services Activity Commander notifies the custodian of the successor Nonappropriated Fund Instrumentality, Air Force Installation Mission Support Center and Directorate of Services, Headquarters, United States Air Force of intent to dissolve a Nonappropriated Fund Instrumentality and initiates action for approval.

3.17.2.1. The custodian of the dissolving Nonappropriated Fund Instrumentality advises the successor Nonappropriated Fund Instrumentality custodian what assets are available for redistribution.

3.17.2.2. On dissolution, successor Nonappropriated Fund Instrumentalities receive residual assets of the dissolved Nonappropriated Fund Instrumentality and must pay any remaining debts after liquidating assets.

3.17.2.3. Prepare a report to the custodian of the Air Force-level successor fund when a Nonappropriated Fund Instrumentality is reconstituted, reorganized, retitled, or moved to another organizational jurisdiction (see [Attachment 4](#) for a Nonappropriated Fund Instrumentality dissolution checklist).

3.17.3. Successor Nonappropriated Fund Instrumentality custodians provide accounting procedures for the dissolution of Nonappropriated Fund Instrumentalities.

3.18. Disposing of Nonappropriated Fund Assets Upon Base Closure.

3.18.1. Dispose of furnishings, fixtures, and equipment purchased with nonappropriated funds in accordance with this instruction and Air Force Instruction 34-204.

3.18.2. To dispose of nonappropriated fund assets on base closure:

3.18.2.1. Assure maximum reutilization of nonappropriated fund property within the Air Force and Department of Defense when economical and feasible.

3.18.2.2. Take action to prevent destroying the integrity of real property at an installation being deactivated or closed. Do not sell nonappropriated fund property for token value or donate it to the civilian community except where specifically approved by Air Force Installation and Mission Support Commander or designee.

3.18.2.3. Directorate of Services, Headquarters, United States Air Force, Air Force Civilian Welfare Fund Board, or Air Force Fisher House Fund Board as appropriate, is the final Air Force authority for the disposition of nonappropriated fund property; with the exception of the nonappropriated fund Air Force lodging property where Air Force Services Activity is the final approval authority.

3.18.2.4. Use Air Force Instruction 34-204 for guidance on property disposition.

3.18.2.5. With owning installation commander approval, the transfer of nonappropriated fund property, inventory, or supplies from a Nonappropriated Fund Instrumentality on a closure installation to a Nonappropriated Fund Instrumentality of any type on another installation shall be reimbursable at fair market value of the property, inventory, or supplies being transferred. nonappropriated fund property, inventory, or supplies may be transferred from the Nonappropriated Fund Instrumentality on a closing installation to a Nonappropriated Fund Instrumentality on another base on some other basis only with approval from Air Force Services Activity Commander. If nonappropriated fund property is transferred to an agency other than another Nonappropriated Fund Instrumentality, the transfer must be at fair market value. Fair market value must cover any remaining undepreciated value and is determined by the fund custodian who owns the property. This applies only to installation purchased property. If higher headquarters or the Air Force Lodging Fund has purchased property, they are the approval authority for the movement of that property and determining fair market value.

3.18.2.6. Use checklist for Nonappropriated Fund Instrumentality dissolution ([Attachment 4](#)).

3.18.2.7. Transfer Nonappropriated Fund Instrumentality cash assets as provided in [paragraph 5.1](#) and refer to Air Force Instruction 34-204 for all nonappropriated fund property transfers.

3.18.3. Air Force Nonappropriated Fund Instrumentalities are entitled to recoup the fair market value or a reasonable percentage of the value of nonappropriated fund-owned property sold to the local community. See [paragraph 6.6.2](#). for guidance on selling a building or a structure acquired or constructed with nonappropriated funds.

3.19. Controlling Expenses Before Dissolving a Nonappropriated Fund Instrumentality. Before dissolving a Nonappropriated Fund Instrumentality, the installation commander ensures there are no extravagant expenditures or unnecessary dissipation of assets in accordance with [Attachment 4](#). (T-1)

3.20. Closure of Activities. Prior to closing any nonappropriated fund activity, ensure proper and adequate analysis is done to substantiate the closure of the nonappropriated fund activity. Follow the notification process detailed in Air Force Instruction 34-101. Closures directed by congressional authorization or similar directives are governed by those specific directives. Ensure closure is financially sound, without bias, and all accounting actions have taken place, accruals, severance, property disposals properly documented, unused pre-pays either given to other activities or written off and destroyed, and uncollected receivables are written off as outlined in [Attachment 4. \(T-1\)](#)

Chapter 4

WHAT NONAPPROPRIATED FUNDS COVER AND DO NOT COVER

4.1. Basic Criteria for Using Nonappropriated Funds. Nonappropriated funds provide goods, services, facilities, equipment, and manpower for Morale, Welfare, and Recreation programs and activities. Use nonappropriated funds for other purposes only as permitted in this and other Air Force Instructions. Do not use nonappropriated funds for any purpose unless such use is allowed in the general authorization or elsewhere in this or other Air Force Instructions. The absence of a prohibition on a specific use of nonappropriated funds does not provide the authority to use nonappropriated funds.

4.1.1. Do not use nonappropriated funds for purchases requiring interest payments (other than those required by law) or carrying charges to non-Government entities.

4.1.2. When appropriated funds are not available, the commander may approve the conservative use of nonappropriated funds for paying dues or fees in professional, scientific, or technical societies and associations for personnel who act as Air Force liaison to those organizations. Only pay for organizational or "desk" memberships and purchase no more than one membership per installation, Field Operating Agency, or Air Staff/Secretariat for any given professional, scientific, or technical society or association.

4.1.3. Use nonappropriated funds to support a Morale, Welfare, and Recreation sponsored coupon program to promote participation in Morale, Welfare, and Recreation activities. The Force Support Squadron commander or director approves and sets the value of all Morale, Welfare, and Recreation coupons. Control coupons according to Air Force Instruction 34-202.

4.1.4. Use nonappropriated funds for promotional mailings including postage when related to the sale of merchandise and services ([paragraph 9.4](#)).

4.1.5. The use of nonappropriated funds to pay registration fees is the same as for appropriated funds (Air Force Instruction 65-601, Volume 1, *Budget Guidance and Procedures*).

4.1.6. Using nonappropriated funds for appropriated fund authorized equipment and supplies requires a waiver to fund source. **(T-0)** Waivers to use nonappropriated funds to temporarily fund equipment and supplies may only be granted by the Air Force Services Activity Commander in coordination with the Air Force Installation Mission Support Center Resource Manager. This waiver authority should only be used in case of a sudden or unexpected emergency situation requiring immediate action.

4.1.7. Nonappropriated funds are used for their intended purpose as defined by their charter and DODI 1015.10 and 1015.15. Changes in organizational structure do not change the authorization of nonappropriated funds.

4.2. What Nonappropriated Funds Do not Cover. Do not use nonappropriated funds for:

4.2.1. Items and services authorized to be purchased with appropriated funds, or to support Morale, Welfare, and Recreation programs that are authorized appropriated fund support, except as permitted in this Air Force Instruction ([Attachment 5](#)) and Air Force Instruction 65-106. This does not preclude the use of nonappropriated funds for such purchases or expenditures in connection with Nonappropriated Fund Instrumentality performance under a

Nonappropriated Fund Instrumentality memorandum of agreement authorized by 10 USC 2491 or 2492.

4.2.1.1. Equipment or supplies authorized appropriated fund may not be purchased with nonappropriated funds unless a waiver to fund source is approved by the proper waiver authority prior to purchase (see [attachment 5](#)) or they are being purchased as part of a Nonappropriated Fund Instrumentality memorandum of agreement described above. **(T-0)**

4.2.1.2. Installations using nonappropriated funds in lieu of appropriated funds inappropriately or without proper authority, jeopardize Air Force nonappropriated fund funding support for centrally funded programs including, small projects, equipment, training and/or base capital improvement fund projects; more over these actions potentially limit cash availability for their installation Morale, Welfare, and Recreation programs and Morale, Welfare, and Recreation Fund.

4.2.2. Supporting programs or personnel attending functional or professional courses, such as noncommissioned officer training and leadership schools.

4.2.3. Offices, work areas, waiting areas, or special interest groups (example: non-federal entities or registered private organizations) that are not primarily involved with Morale, Welfare, and Recreation programs. Examples include property and furnishings in such areas as:

4.2.3.1. Manpower Personnel Section.

4.2.3.2. Legal offices.

4.2.3.3. The Offices of Special Investigation.

4.2.3.4. Search-and-rescue operations or similar activities.

4.2.3.5. Airman and Family Readiness Centers, excepted as permitted in [paragraph 4.3.14](#).

4.2.4. Custodial or janitorial services in non-Morale, Welfare, and Recreation facilities such as education centers, veterinarian clinics, and Military Personnel Flights.

4.2.5. Exterior grounds maintenance support for offices, special interest groups, or common public areas that are not primarily concerned with Morale, Welfare, and Recreation programs.

4.2.6. Financial transactions related to, or receiving income from, preferred customer buying programs in which a commercial concern offers discounts to authorized users of Air Force activities. Morale, Welfare, and Recreation activities may not favor one commercial source over another or receive monies as a result of referring customers to commercial sales source (such as commissions).

4.2.7. Loans to individuals, either in cash or advance payment of wages, allowances, or differentials. Exception: Nonappropriated funds are authorized for cash advances against an authenticated travel order before official travel, advance payment of wages for overseas permanent change of station moves, or the advancement of leave.

4.2.8. Trophies and awards primarily for mission accomplishments and competitions contributing to military mission effectiveness.

- 4.2.9. Special incentive programs to promote participation in mandatory programs (such as safety or fire prevention) or to motivate compliance with base rules, directives, or standards.
- 4.2.10. Awards that augment, duplicate, or replace awards available from appropriated funds.
- 4.2.11. Contributions to fund-raising events for national or local charities, foundations, or similar organizations (except as described in [Chapter 12](#)).
- 4.2.12. Gifts for individuals (except as described in [Chapter 12](#)).
- 4.2.13. Contributions, dividends, or other donations of monies, or other assets to private individuals or organizations.
- 4.2.14. Personal purchases or expenses.
- 4.2.15. Dependent school costs authorized from appropriated funds.
- 4.2.16. Cigarettes, tobacco products, or related tobacco items for gifts, prizes, or free issue.
- 4.2.17. Expenses for operations or services for programs such as:
 - 4.2.17.1. Sexual Assault Prevention and Response.
 - 4.2.17.2. Project transition.
 - 4.2.17.3. Career motivation.
 - 4.2.17.4. Permanent change-of-station reception centers.
 - 4.2.17.5. Drug and alcohol abuse programs.
- 4.2.18. Printed personal or organizational greeting cards, business cards, holiday cards, or stamps to mail such cards. See exception in [paragraph 4.3.11](#) for nonappropriated fund related business.
- 4.2.19. Distinctive insignia or accessories for military uniforms.
- 4.2.20. Compensation for military and appropriated fund civilian personnel in connection with their assigned duties.
- 4.2.21. Purchasing land.
- 4.2.22. Portraits or pictures of senior Air Force leaders.
- 4.2.23. Fuel or aircraft spare parts for privately owned, commercial, or foreign Government military aircraft (e.g., aircraft participating in activities like Armed Forces Day or base open houses) with the exception of pre-approved civilian air demonstrations in accordance with Air Force Instruction 10-1004, *Conducting Air Force Open Houses*.
- 4.2.24. Investments at installation and unit level, (exception: Severance accounts).
- 4.2.25. Command representation or protocol functions.
- 4.2.26. Non-Morale, Welfare, and Recreation elements of open houses at air shows, to include any infrastructure items. A waiver to fund source is required as outlined in Air Force Instruction 10-1004 for use of nonappropriated funds for non-Morale, Welfare, and Recreation elements of an open house at air shows.

4.2.27. Unauthorized activities and those that benefit only select minorities, grades or levels of personnel on an installation.

4.2.28. Nonappropriated funds cannot be used to subsidize recycling programs. Morale, Welfare, and Recreation programs are authorized to administer and receive revenues in support of a recycling program.

4.2.29. The primary funding source for Morale, Welfare, and Recreation support to military missions in foreign countries is appropriated fund (in accordance with Air Force Instruction 65-106) with the exception of unit funds which are nonappropriated fund.

4.2.30. Appropriated funds (in accordance with Air Force Instruction 65-106) shall be used for all authorized personnel, building, equipment, and supply costs when the Morale, Welfare, and Recreation facility is used to support official mission, protocol, and community support functions to include events that support and foster community relations, basic military gatherings such as commander's calls and pre- and post-deployment briefings, and events that support the development of unit esprit de corps and home station family sustainment.

4.2.31. Do not use Morale, Welfare, and Recreation funds to pay for choir directors, organists, or flowers. Limited Chaplain support for non-denominational events is authorized as indicated in [paragraph 4.3.13](#).

4.2.32. Do not use Morale, Welfare, and Recreation funds for Airman and Family Readiness Centers' except as indicated in [paragraph 4.3.14](#).

4.3. What Morale, Welfare, and Recreation Nonappropriated Funds Cover. Use Morale, Welfare, and Recreation funds for:

4.3.1. Organizational Parties and Picnics: The installation commander establishes guidelines on expenditure levels at your installation for Wing, Group, Squadron or organizational parties and picnics. Exercise care to assure all eligible personnel, to the extent possible, are able to attend and the basic needs of the Morale, Welfare, and Recreation program are being met.

4.3.1.1. Pay particular attention to fiscal responsibility of having both an installation-wide event and individual unit events and that there is adequate cash flow to fund necessary capital improvements, operational expenses, etc.. Unit fund distribution must be consistent with a documented methodology. Whenever possible utilize the Force Support Squadron Gift Card for distributing unit funds. As gift cards are only redeemed in Force Support Squadron activities expenditure reports are not required.

4.3.2. Team Building Events and Activities: Where appropriated funds are not authorized, and central nonappropriated funds are available; Team Building events and activities which directly support Air Force squadrons, units and staffs to enhance unit cohesion.

4.3.2.1. These funds may not be used for anything outside team building events and activities or for events combined with other squadrons, units or staffs. For example, a group staff may use the money allocated for the group staff population only. A group commander may not use the money allocated to the squadrons for a group event.

4.3.2.2. Funds will not be used where the primary focus is entertainment or a meal that is not related to a team building event.

4.3.2.3. Air Force Services Activity will centrally fund, manage and provide guidance for unit cohesion activities and events.

4.3.2.4. Annual funding will be determined by unit populations as of 30 Sep of the previous fiscal year and funding will be allocated to installation Morale, Welfare, and Recreation Funds by Air Force Services Activity guidance. Specific funding allocations will be made by the Air Force Services Activity and will be dependent on central funds availability

4.3.3. Ideally for [paragraphs 4.3.1.](#) and [4.3.2.](#), commanders would keep funding for the parties and picnics category and funding for the Team Building events and activities category separate. This approach is to ensure each category receives adequate funding in support of unit functions.

4.3.4. Defraying cost of refreshments at nonappropriated fund employee recognition ceremonies, by Nonappropriated Fund Instrumentality, where expenses have been properly budgeted.

4.3.5. Organizational memberships or user fees to civilian recreation facilities for units where Air Force or other military facilities are not reasonably accessible when appropriated funds are not authorized. Use nonappropriated funds on a conservative basis for organizational memberships; use neither appropriated funds nor nonappropriated funds for individual memberships. (Air Force Instruction 65-106 governs the use of appropriated funds for organizational memberships in fitness facilities.)

4.3.5.1. Before authorizing nonappropriated funds for this purpose, ensure that:

4.3.5.1.1. Personnel are members of a unit that receives Morale, Welfare, and Recreation fund support.

4.3.5.1.2. Personnel are active duty military and civilian personnel assigned or attached to that location, including personnel of Air Force Reserve tenant units on active duty and family members of active duty personnel at locations that lack adequate family recreation activities.

4.3.5.1.3. The purpose is recreational.

4.3.5.1.4. Memberships or user fees are available equally to all assigned or attached military and civilian personnel.

4.3.5.1.5. The approving commander informs Air Force Services Activity Commander, of the memberships purchased and user fees paid to include type, number, cost, eligibility of participation, and other relevant information.

4.3.6. Awards for nonappropriated fund employees; trophies, medals, and local gift certificates or other items stocked in an Morale, Welfare, and Recreation resale activity ([paragraph 9.1](#)); use proper accounting treatment for both the employee and activity. The Force Support Squadron Gift Card may not be used as a nonappropriated fund employee award.

4.3.7. Personal maintenance allowance expenses for personnel on permissive temporary duty who are participating in the Air Force Services Activity sponsored entertainment tour or competing in installation, Air Force, or higher level-sponsored contests. Maximum daily rate is \$12 a day unless otherwise specified by Directorate of Services, Headquarters, United States Air Force.

4.3.8. Child development services for volunteers are covered in Air Force Instruction 34-209.

4.3.9. Instructional courses, on a fee for service basis, that do not incur a loss to the Morale, Welfare, and Recreation Fund and are not appropriated fund authorized may be sponsored by Morale, Welfare, and Recreation programming, if appropriate.

4.3.10. Communications-computer systems (communications, hardware, or software) for Morale, Welfare, and Recreation activities, not authorized appropriated funds.

4.3.10.1. Purchase only systems that meet the current Standard Desktop Configuration requirements as established by Air Force Communications for all nonappropriated fund communications-computer systems purchased from nonappropriated fund contracts.

4.3.10.2. Use in-place communications-computer systems until they are no longer needed.

4.3.10.3. Submit requests for nonstandard Morale, Welfare, and Recreation nonappropriated fund communications-computer systems to the Air Force Services Activity Plans and Force Management Directorate along with supporting economic analyses. This includes point of sale and other systems that will interface with the Air Force Services Financial Management System or other enterprise architecture.

4.3.11. Printing business cards, using office computer, existing software, and nonappropriated fund purchased card stock, for use by nonappropriated fund employees in connection with official business of the Nonappropriated Fund Instrumentality; for example, the club catering manager. Appropriated fund civilians or military members are NOT allowed to use nonappropriated funds or nonappropriated fund purchased resources to procure or make business cards, regardless of the job they are performing within the Nonappropriated Fund Instrumentality.

4.3.12. Morale, Welfare, and Recreation Fund and Civilian Welfare Fund nonappropriated funds may be used for jointly funded projects. Events and/or activities may range from picnics to construction projects. Because of their unique and diverse nature, advance approval for the joint use of these funds must be obtained from Directorate of Services, Headquarters, United States Air Force; for the Civilian Welfare Fund, approval must be obtained in conjunction with the Air Force Civilian Welfare Fund Board. Specific limits and authorities are found at [Table 14.1](#).

4.3.13. Chaplain-hosted nondenominational recreational or morale and welfare programs that benefit members of the military community and their families. These programs should only receive nonappropriated fund funding after core Morale, Welfare, and Recreation fund activities are fully funded and operational. All items should be budgeted as part of the annual nonappropriated fund budget and approved by installation Nonappropriated Fund Council. Do not use nonappropriated funds for expenditures specifically prohibited in this Air Force Instruction, such as meals or meal subsidies for attendees, or educational classes that are an appropriated fund responsibility.

4.3.14. Limited Airman and Family Readiness Center programs, including items for lending closets, coffees (coffee, tea, juice, soft drinks or water), Key Spouse uniform shirts, and child development services for volunteers ([paragraph 4.3.8](#)). All items should be budgeted as part of the annual nonappropriated fund budget and approved by installation Nonappropriated Fund Council. Do not use nonappropriated funds for expenditures specifically prohibited in this Air Force Instruction, such as meals or meal subsidies for attendees. **Exception:** Do not use Morale, Welfare, and Recreation funds to directly support the mission of other activities in the Airman and Family Readiness Centers, unless appropriated funds are made available to support the operation of programs and provided to the Morale, Welfare, and Recreation Fund according to a Nonappropriated Fund Instrumentality memorandum of agreement and treated and expended as nonappropriated funds, with instructions from the Air Force Services Activity Financial Management and Comptroller Directorate.

4.3.15. Pet Grooming or Pet Kennel (overseas only) activities may be operated out of the installation Morale, Welfare, and Recreation Fund. Note: private Animal Care is now provided only by the Army and Air Force nonappropriated funds can no longer be used for this function.

4.4. Nonappropriated Fund Instrumentality Resale Activities, Concessions, Fees, Service Charges, and Dues. See Air Force Instruction 34-101.

Chapter 5

NONAPPROPRIATED FUND INSTRUMENTALITY TRANSFERS, CONTRIBUTIONS AND DONATIONS

Section 5A—Transfers

5.1. Transfer of Assets. Transfer assets (cash, inventory, and property) to, from, or between Nonappropriated Fund Instrumentalities and activities only under the conditions or limitations in this chapter and Air Force Instruction 34-204, *Property Management*. Transfers from one Nonappropriated Fund Instrumentality or activity to another Nonappropriated Fund Instrumentality or activity just to improve the apparent financial condition of either are prohibited. This is not intended to prohibit “common cause” transfers. **(T-1)**

5.1.1. The Air Force Morale, Welfare, and Recreation Fund is the successor fund for all installation Morale, Welfare, and Recreation Funds.

5.1.1.1. The installation commander approves transfers from a Nonappropriated Fund Instrumentality to another Nonappropriated Fund Instrumentality of the same type on or belonging to the same installation (not applicable in the case of a Fisher House, Lodging, Civilian Welfare, supplemental mission Nonappropriated Fund Instrumentalities at United States Air Force Academy, or Mission Essential Feeding Fund Nonappropriated Fund Instrumentalities). Physical assets (property) are transferred in accordance with Air Force Instruction 34-204, *Property Management*.

5.1.1.1.1. Approval of cash transfers and disposition for nonappropriated fund operations at deployed locations are approved by Air Force Services Activity Installation Support Directorate, with proper back-up documentation (budget, gaining/losing location, amount, etc.).

5.1.2. The Air Force Civilian Welfare Fund Board approves:

5.1.2.1. Transfers of installation Civilian Welfare Fund assets to other Civilian Welfare Funds.

5.1.2.2. Installation Civilian Welfare Funds borrowing cash assets from other Civilian Welfare Funds.

5.1.3. The Air Force Fisher House Fund approves:

5.1.3.1. Transfers of Fisher House Fund assets to other Nonappropriated Fund Instrumentalities.

5.1.3.2. The Fisher House Fund borrowing cash assets from other Nonappropriated Fund Instrumentalities.

5.1.4. Air Force Installation Mission Support Center Commander or designee approves transfers of: Inter-Nonappropriated Fund Instrumentality and intra-Nonappropriated Fund Instrumentality transfers not addressed in this chapter (except transfers affecting central Nonappropriated Fund Instrumentalities under Air Force control).

5.1.5. Air Force Installation Mission Support Center Commander or designee approves transfers of property from other Services.

5.2. Inter-Nonappropriated Fund Instrumentality Transfers. Inter-Nonappropriated Fund Instrumentality transfers are the actual transfers of nonappropriated fund assets to other Nonappropriated Fund Instrumentalities, such as:

5.2.1. Disposal of residual assets (sale, donation, or transfer).

5.2.2. Redistribution of excess assets (including cash).

5.2.3. Transfers are at fair market value; at a minimum, fair market value must cover any undepreciated value.

5.2.3.1. The resource manager and applicable manager have means available to assess fair market value.

5.2.3.2. The gaining Nonappropriated Fund Instrumentality pays the mutually agreed upon value of the asset and cost of shipping.

5.2.4. The Air Force Installation Mission Support Center Commander or designee approves the transfer of nonappropriated fund assets from a base-level Nonappropriated Fund Instrumentality to a Nonappropriated Fund Instrumentality of the same type at another base.

5.3. Intra-Nonappropriated Fund Instrumentality Transfers. These transfers involve moving assets from one activity to another within the same Nonappropriated Fund Instrumentality.

5.3.1. Follows the same guidance as above, transfer at the agreed upon fair market value, including shipping.

5.4. Loaning Assets.

5.4.1. Nonappropriated Fund Instrumentalities can loan property to another activity or Nonappropriated Fund Instrumentality using a hand receipt for up to 30 days before the assets must be officially transferred.

5.4.1.1. For periods over 30 days and for loans of indefinite duration, the activity manager (through the resource manager) transfers assets using procedures in Air Force Instruction 34-209. The Nonappropriated Fund Accounting Office charges the depreciation to the activity using the equipment.

5.5. Transfers to Appropriated Fund Accounts. The Force Support Squadron commander or director authorizes the transfer of property items purchased with nonappropriated funds to appropriated fund accounts in accordance with Air Force Instruction 34-204.

5.5.1. Record such transfers in council minutes or other proper documents.

5.5.2. Once approved, the resource manager or custodian deletes the item from nonappropriated fund accounting records when it reaches zero book value.

5.5.3. Do not trade in assets transferred to appropriated fund accounts; they are no longer considered nonappropriated fund property except for depreciation purposes.

5.5.4. Only transfer items that meet all of the following:

5.5.4.1. Identified as authorized or substitute items in the Allowance Standard.

5.5.4.2. In serviceable condition.

5.5.4.3. Within the basis of issue in the Allowance Standard.

5.5.4.4. Used by a nonappropriated fund-supported activity.

5.5.5. Air Force Installation Mission Support Center Commander or designee approves the transfer of nonappropriated fund-purchased equipment to appropriated fund accounts of non-Morale, Welfare, and Recreation activities.

5.5.5.1. When property is approved for transfer, stop using nonappropriated funds to maintain or replace the property.

5.6. Base or Organization Transfers.

5.6.1. The Nonappropriated Fund Instrumentalities on an installation transferred to another Service or US Government agency must curtail expenditures, cancel contracts, and pay all outstanding obligations.

5.6.1.1. The office directing the transfer designates who will be involved in negotiating the transfer of Nonappropriated Fund Instrumentality property, equipment, and inventories for the gaining Service or agency.

5.6.1.2. Air Force installations identified as Base Realignment and Closure or as a supporting or supported component for Joint Basing will follow published directives of Department of Defense or United States Air Force, as applicable.

5.6.2. Transferring nonappropriated fund furnishings, fixtures, and equipment when a Morale, Welfare, and Recreation activity is outsourced to a private contractor.

5.6.2.1. When a Services activity is outsourced to be operated by a private contractor, nonappropriated fund furnishings, fixtures, and equipment is transferred to the contractor under the terms contained in the contract.

5.6.2.2. There are several different contract furnishings, fixtures, and equipment transfer options:

5.6.2.2.1. Nonappropriated fund-owned furnishings, fixtures, and equipment may be transferred to the contractor with the contractor maintaining and operating the equipment during the life of the contract. The equipment is returned to the owning Nonappropriated Fund Instrumentality at the end of the contract period or when no longer needed by the contractor.

5.6.2.2.2. The owning Nonappropriated Fund Instrumentality may continue to provide and maintain certain furnishings, fixtures, and equipment with the contractor responsible for operating the activity using the equipment.

5.6.2.2.3. Sell the equipment to the contractor for fair market value.

Section 5B—Contributions and Donations

5.7. Air Force Morale, Welfare, and Recreation Nonappropriated Fund Instrumentality Gift Acceptance Policy. Accept all gifts/donations (conditional or unconditional) to the installation or Air Force Morale, Welfare, and Recreation Fund (Nonappropriated Fund Instrumentality), unless it is not in the best interests of the Nonappropriated Fund Instrumentality to do so or would cause a reasonable person to question the integrity of Air Force programs or

operations . Follow Air Force Instruction 51-601, *Gifts to the Department of the Air Force*, for gifts not covered by this instruction and for illustrative support.

5.8. Methods of Offering Gifts and Approval/Acceptance Authorities.

5.8.1. An offer of an unconditional gift to an Air Force Nonappropriated Fund Instrumentality must be in writing although said writing may be communicated through electronic means; it must contain sufficient information to determine if the offer is unconditional or conditional; and if conditional, the specific conditions to be imposed must be clearly stated. See [Attachment 8](#) for sample offer and acceptance formats.

5.8.1.1. Conditional Gift. An offer of a conditional gift to an Air Force Nonappropriated Fund Instrumentality must be accepted in accordance with the specified conditions and those conditions must be in the best interests of the Nonappropriated Fund Instrumentality. Conditional gifts include, but are not limited to, funds for the purchase of specified equipment or the construction of specified facilities. The gift of a number of admission tickets to an Air Force Nonappropriated Fund Instrumentality for distribution to Airmen and other authorized Morale, Welfare, and Recreation patrons for attendance at concerts, plays, theater, sporting, and other ticketed events, is a form of a conditional gift.

5.8.2. Gifts require approval before they are accepted by a Nonappropriated Fund Instrumentality. Acceptance of the gift must be communicated in writing to the donor, although said writing may be transmitted through electronic means. The approval acceptance authority depends upon the value of the gift:

5.8.2.1. Regardless of any other delegation made pursuant to [paragraph 5.8.2.2.](#), installation commanders may approve items valued at \$5,000 or less and items valued at any amount from the Combined Federal Campaign fund. He or she may delegate, in writing, up to \$5,000 of this authority to the Mission Support Group Commander or Force Support Squadron Commander or Director. **(T-1)**

5.8.2.2. Air Force Services Activity Commander approves items/amounts up to and including \$250,000 for Air Force-wide programs, installation Morale, Welfare, and Recreation Nonappropriated Fund Instrumentalities, Air Force Central Morale, Welfare, and Recreation Nonappropriated Fund Instrumentalities, and Commercial Sponsorship Agreements and donations where such approval expedites acceptance or otherwise is more advantageous to the Air Force as determined by Air Force Services Activity Commander. This approval authority does not apply to commercial sponsorship in support of Open Houses or Air Shows. **(T-0)**

5.8.2.3. Air Force Installation Mission Support Center Commander approves items/amounts valued over \$250,000. This approval authority does not apply to commercial sponsorship in support of Open Houses or Air Shows. **(T-0)**

5.8.2.4. Installation commanders may approve commercial sponsorship agreements for the installation Morale, Welfare, and Recreation Nonappropriated Fund Instrumentality up to \$50,000. Installation commanders may further delegate, under a separate delegation memorandum, up to \$25,000 of this authority to the Mission Support Group Commander or Force Support Squadron Commander or Director. These approval authorities does not apply to commercial sponsorship in support of Open Houses or Air Shows. **(T-0)**

5.8.2.5. The Air Force Civilian Welfare Fund Board approves items donated to Civilian Welfare Funds (**Chapter 14**).

5.8.2.6. The Air Force Fisher House Fund Board has delegated approval authorities for certain valued items donated to the Air Force Fisher House Fund or its subaccounts as identified in **Chapter 13**.

5.8.2.7. The Directorate of Services, Headquarters, United States Air Force approves commercial sponsorship for MWR events at Open Houses or Air Shows. (**T-0**)

5.9. Rejection of Gifts/Donations to Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentalities

5.9.1. Gifts to Air Force Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentality may be rejected under the following circumstances:

5.9.1.1. Acceptance of the gift would raise a serious question of impropriety in light of the donor's present or prospective business relationship with the Air Force or Morale, Welfare, and Recreation program.

5.9.1.2. The offered item is not compatible with Air Force standards.

5.9.1.3. The cost of acceptance, maintenance, or other anticipated expense is perceived to be disproportionate to the overall benefit of accepting the gift.

5.9.1.4. The offered item is dangerous.

5.9.1.5. Acceptance would not be in the best interests of the Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentality.

5.9.1.6. Rejection must be in writing although said writing may be communicated through electronic means. The rejection of a gift must be signed by the person authorized to reject the gift (usually the appropriate approval/acceptance authority). The written communication will acknowledge receipt of the offer and politely explain why the appropriate Morale, Welfare, and Recreation Fund Nonappropriated Fund Instrumentality cannot accept it.

5.10. Gift Funds Utilization. A conditional gift to an Air Force Nonappropriated Fund Instrumentality must be used for the activity and/or purposes specified by the condition placed by the donor upon the gift (for example, if you accept a \$400 donation to purchase a video player for the library, you must use those funds for that purpose). Donations are recorded in the appropriate revenue general ledger accounting code 802XXXX; expenses are recorded in the appropriate expense supplies general ledger accounting code, 720XXXX.

5.10.1. Gifts to an Air Force Nonappropriated Fund Instrumentality without a specified purpose (i.e., unconditional gifts) may be used to provide new programs, supplies, equipment, and other direct and indirect benefits for authorized Morale, Welfare, and Recreation patrons, but gifts of cash must be used within the fiscal year that they are received. Do not arbitrarily record to a failing activity's miscellaneous income account to improve financial performance.

5.10.1.1. Do not use these funds for facility maintenance or repair, or payroll.

5.10.2. Do not solicit gifts or donations, however, when asked about program needs by a prospective donor, such needs may be clarified.

5.10.3. Assistance may be provided to any donor who requests help in drafting an appropriate offer/donation or who desires that the Air Force identify existing or future needs that might be addressed by a gift from the donor. Do not provide a valuation estimate for in kind gifts for taxation nor other purposes to the donor. Contact your local legal office for guidance. ([Attachment 8](#) contains the required clauses.) In any event, documentation must indicate the donor acknowledges its understanding of and agrees to the following:

5.10.3.1. The donor will not be granted special favors or privileges as a result of the donation.

5.10.3.2. The donor will not charge the cost of the donation to any Government contract.

5.10.3.3. The gift will not be accepted unless the donor relinquishes ownership in writing.

5.10.3.4. Public acknowledgment of the donation will be limited to a select mention in Department of Defense or Air Force written and electronic public affairs media (including social media), a "thank-you" letter, or a brief gratitude ceremony, a public announcement system announcements during open house type events, and/or an appropriate "donated by" name plate on or near the item, if applicable. Recognition of donors may include participation in ribbon-cutting ceremonies. If the Air Force makes a public affairs release regarding the subject of the gift (e.g., a new fitness facility or piece of playground equipment), then the identity of the donor can be included in that release. An expression of gratitude to the donor may be made, but should not be the main point of the news release.

5.10.4. Gifts to support other elements of Force Support Squadron that are not Morale, Welfare, and Recreation activities, events and programs must be processed as gifts to the Department of the Air Force pursuant to Air Force Instruction 51-601.

5.10.5. Prior to acceptance, all proposed gifts to an Air Force Nonappropriated Fund Instrumentality should be reviewed by the appropriate legal office to determine if the offer meets legal requirements or if it presents ethical or other concerns. Local legal offices should consult with Air Force Services Activity Judge Advocate to resolve questions or concerns.

5.11. Accepting Premiums and Advertising Items.

5.11.1. Custodians may accept premiums and miscellaneous advertising items (except tobacco and alcohol) valued at less than \$20 each when suppliers voluntarily offer them for use by or distribution to authorized Morale, Welfare, and Recreation patron customers.

5.11.2. Examples of premiums are ballpoint pens, plastic rulers, balloons, magnets, and other items of nominal value, which may or may not identify the donor's name or products or services.

5.11.3. Miscellaneous advertising items may also include place mats, napkins, score sheets, t-shirts, scorecards, and other similar items of little value, but that are primarily intended to convey the advertiser's name and contact information. These items should identify the donor's name or products or services. They may also identify the donor's affiliates' names and products or services.

5.11.4. Do not ask suppliers or other non-Department of Defense sources to prepare or provide special premiums at their expense.

5.11.5. Do not solicit funds from suppliers or other non-Department of Defense sources to offset the cost of premiums.

5.11.6. Do not give suppliers preferential consideration because of such premiums, and do not favor certain donors to prevent any perception of unequal treatment.

5.11.7. Control and account for these items as required in Air Force Instruction 34-202 and Air Force Instruction 34-209.

5.11.7.1. Disclaimers are not required except when the items carry one of two things:

5.11.7.1.1. The commercial donor's name, logo, or products or services and reference to some part of the Federal Government.

5.11.7.1.2. Advertising that the donor has sold to other commercial concerns.

5.11.7.2. In these instances, the disclaimer must state "No Federal Endorsement of Advertisers or Their Goods or Services Intended."

5.12. Grants to Help Fund Nonappropriated Fund Instrumentality Programs and Activities.

5.12.1. Grants offered by state or local governments to help fund Child Development Center, Youth, or other Morale, Welfare, and Recreation programs must be processed as gifts to Nonappropriated Fund Instrumentalities under this Chapter. If this acceptance acts as a reduction to parent fees, use general ledger accounting code 5100001, State Pre-K Program Reimbursement. Contact Air Force Services Activity Financial Manager for specific accounting guidance and controls. Grant offers often include conditions that make them unacceptable, e.g., grants offered on the condition that the receiving Morale, Welfare, and Recreation activities must be licensed by the state or local government involved, subject to state or local government regulation or control, or required to pay state or local government fees or charges. Air Force Morale, Welfare, and Recreation activities must comply with Department of Defense and Air Force policy. If state or local grant requirements exceed those of the Department of Defense and Air Force, it is possible the local Morale, Welfare, and Recreation program policy involved may be modified at an installation to mirror or exceed the state or local requirements with Directorate of Services, Headquarters, United States Air Force approval if it is determined to be in the best interest of the Air Force. When this is done, the installation then complies with the revised Air Force policy, not the state or local requirements. Any request to modify the local Morale, Welfare, and Recreation program policy must be routed through Air Force Services Activity Installation Support Directorate for coordination with Air Force Services Activity Judge Advocate and other Air Force Services Activity office coordination, to Directorate of Services, Headquarters, United States Air Force for approval.

Chapter 6

REAL PROPERTY AND CONSTRUCTION

6.1. Using Nonappropriated Funds for Real Property and Construction.

6.1.1. For guidance on using nonappropriated funds for real property and construction, see Air Force Instruction 34-205, *Services Nonappropriated Fund Facility Projects*; and Air Force Instruction 32-1022, *Planning and Programming Nonappropriated Fund Facility Construction Projects* and Air Force Instruction 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFIS)*.

6.1.2. Do not use nonappropriated funds to design, construct, alter, recondition, renovate, repair, maintain, or add to Government-owned or -leased structures when appropriated funds are authorized (Air Force Instruction 65-106 and Air Force Instruction 32-1022). This does not apply to situations where the Nonappropriated Fund Instrumentality involved is providing services under a Nonappropriated Fund Instrumentality memorandum of agreement.

6.2. Capital Improvements. The Air Force Base Capital Improvement Fund is the source of funding for nonappropriated fund construction for Morale, Welfare, and Recreation Category B and C activities, when funds are not available at the installation-level. The Air Force Lodging Fund is the source of funding for nonappropriated fund construction for all lodging requirements.

6.2.1. Approval of nonappropriated fund funding for nonappropriated fund construction projects depends upon:

6.2.1.1. Lack of local funds.

6.2.1.2. Priority of overall Air Force need.

6.2.1.3. Use of any of the Air Force Central Nonappropriated Fund Instrumentalities for capital improvements/construction on its own facilities would require a waiver to fund source excluding Air Force Lodging Fund and Mission Essential Feeding Fund re-constructs. **(T-1)**

6.2.2. Conduct a project validation assessment for any nonappropriated fund facility capital improvement project with a total nonappropriated fund investment cost in excess of \$300,000 (Air Force Instruction 34-205). The resource manager may require a rate of return and/or economic impact evaluation for any large capital investment at the installation.

6.3. Architecture & Engineering Services. Nonappropriated funds usually fund contracted A-E services for nonappropriated fund projects. However, use of in-house civil engineering design resources is permitted if no additional manpower authorizations are required for the design development.

6.4. Supervision, Inspection, and Overhead Services. Use nonappropriated funds for supervision, inspection, and overhead of nonappropriated fund projects when these services are contracted (including Army Corp of Engineers) or done by other than installation-level staff, or when installation civil engineers cannot perform in-house and must hire additional personnel to perform supervision, inspection, and overhead. See Air Force Instruction 34-205 for further guidance on use of nonappropriated funds for supervision, inspection, and overhead.

6.5. Leasing Real Property. A lease for real property in any amount needs to be submitted with a project validation; rate of return and a total nonappropriated fund investment for the entire period of the lease; to the Nonappropriated Fund Facilities Panel for evaluation.

6.6. Limitations on Construction.

6.6.1. A building or structure constructed, purchased, or renovated with nonappropriated funds will not be diverted to a use other than in direct support of Morale, Welfare, and Recreation or Lodging activities, as appropriate, without prior approval from Air Force Installation Mission Support Center Commander or designee.

6.6.2. Process net proceeds from the sale of a building or structure acquired or constructed with nonappropriated funds and later sold upon disposition of Government property in accordance with Public Law 102-190, section 344, and Public Law, 102-484, section 2821.

Chapter 7

NONAPPROPRIATED FUND EMPLOYEES

7.1. What Nonappropriated Funds Cover. Use nonappropriated funds to pay the salaries, wages, and benefits of individuals who operate Morale, Welfare, and Recreation, lodging programs, Civilian Welfare Funds, and other special Nonappropriated Fund Instrumentalities listed in this publication.

7.1.1. Manpower standards identify areas that appropriated funds cover. Do not use nonappropriated funds in lieu of appropriated funds for those positions.

7.1.2. Waiver to Fund Source Procedures. For positions supporting Morale, Welfare, and Recreation Fund activities, Directorate of Services, Headquarters, United States Air Force and Deputy Assistant Secretary (Cost and Economics) are the approval authorities on a case by case basis. Waivers will be reviewed annually and authority to grant waivers for personnel is not delegable. At a minimum, the following criteria must be taken into consideration before submitting a waiver to use nonappropriated funds: 1) Installation Commander and Air Force Installation Mission Support Center Resource Director certification that no appropriated funds are available, 2) What efforts the installation took to receive required appropriated fund support, 3) Current Morale, Welfare, and Recreation Fund Acid Test Ratio, 4) Activity and Morale, Welfare, and Recreation Fund historical financial performance and future ability to absorb the increased personnel expense, 5) Ability to fund future nonappropriated fund recapitalization requirements by maintaining required Morale, Welfare, and Recreation Fund profitability, 6) Impact on ability to maintain required appropriated fund support standards for Category A and B activities taking into consideration any other approved waivers to fund source to use nonappropriated funds in lieu of appropriated funds approved at the installation commander or other required approval authority, and 7) Actions taken, e.g., revised fees and charges or reduced other operating expenses, to offset the increased nonappropriated fund personnel expenses. See [Attachment 5](#). (T-1)

7.1.3. For positions supporting lodging fund activities, Deputy Assistant Secretary (Cost and Economics) is the approval authority for waivers. (T-1)

7.1.4. See Air Force Manual 34-310, *Nonappropriated Fund Personnel Program Management and Administration Procedures*, for policies on pay administration and entitlements of nonappropriated fund personnel.

7.1.5. Waivers are granted for a period of one year from the date of approval, or until financial conditions change or appropriated funds become available. Reimbursement of the appropriated fund authorized position, and the nonappropriated funds expended should be exhausted when appropriated funds become available. A waiver does not change the authorized fund source of a position as defined Air Force Instruction 65-106 and Department of Defense Instruction 1015.10. (T-1)

7.2. Overpayment of Wages, Allowances, Differentials, or Benefits. The Nonappropriated Fund Custodian (for Air Force Services Activity employees is Air Force Services Activity Financial Management and Comptroller Directorate) collects overpayments in wages, allowances, differentials, or benefits made to nonappropriated fund employees (See Air Force Instruction 34-202). The Installation resource manager and central fund accounting office must work with the Shared Service Center to determine the correct amounts to be repaid and ensure the amount gets properly recorded in the financial statements. Air Force Services Activity nonappropriated fund employees utilize the central fund accounting office and their servicing human resource office for issues on pay corrections or overpayment, indebtedness, etc. **(T-2)**

7.2.1. See Air Force Instruction 34-209 for overdrawn leave.

7.2.2. Waiver authorities for recouping overpayment of wages are:

7.2.2.1. The installation commander for amounts up to and including \$1,000. **(T-3)**

7.2.2.2. Air Force Services Activity Commander for amounts over \$1,000 up to and including \$50,000. For Air Force Services Activity employees Air Force Services Activity Commander is the approval authority up to and including \$50,000. **(T-1)**

7.2.2.3. Air Force Installation Mission Support Center Commander for amounts over \$50,000. **(T-1)**

7.3. Garnishment of Wages. See Air Force Instruction 34-202.

7.4. Other Personnel Uses. Nonappropriated funds may also be used:

7.4.1. To pay for nonappropriated fund employee training. Air Force or installation nonappropriated funds may support and operate training programs.

7.4.2. For individual service contracts that do not involve an employer-employee relationship.

7.4.3. To pay active duty commissioned officers through individual service contracts for work not associated with their Air Force responsibilities.

7.4.4. To pay enlisted personnel for work done after duty hours as part-time employees or as individual services contractors for work not associated with their Air Force responsibilities. (Air Force Manual 64-302).

Chapter 8

TAXES

8.1. Federal.

8.1.1. The Director of the Internal Revenue Service sets regulations for withholding, depositing, paying, and reporting Federal taxes. For general tax guidance on federal withholding requirements and Federal Insurance Contributions Act taxes, see Internal Revenue Service Circular E, *Employer's Tax Guide*, and Air Force Instruction 34-209.

8.1.2. Nonappropriated Fund Instrumentalities must collect, report, and pay all Federal taxes (such as payroll taxes) that are required by law. Send tax payment checks (from Internal Revenue Service Forms W-2G or 1042-S), when due to the designated tax collector. Nonappropriated fund payroll taxes are now paid centrally to the Internal Revenue Service from the Air Force Services Activity.

8.1.3. In the United States, each Nonappropriated Fund Instrumentality that sells alcoholic beverages or beer must abide by the federal tax stamp regulations set forth in Air Force Instruction 34-219, *Alcoholic Beverage Program*, paragraph 1.10.

8.2. State and Local Taxes.

8.2.1. State and Local Taxes/Licenses. As instrumentalities of the United States, Air Force Nonappropriated Fund Instrumentalities have the same immunity from state and local tax and license requirements as the rest of the Federal Government, (see [Paragraphs 1.3](#) and [1.4](#)). Nonappropriated Fund Instrumentalities are not subject to any taxes or license fees that may be imposed upon them by any state or local taxing or licensing authority, e.g., state sales tax, licenses fees for the sale of alcohol or state taxes or licenses for holding games of chance like bingo.

8.2.2. Procedures for withholding and paying nonappropriated fund employees' state and local income taxes must conform to the policy applicable to appropriated fund employees of the Air Force at the same location. Nonappropriated fund payroll state and local taxes are now paid centrally from Air Force Services Activity.

8.2.3. Taxes/Licenses for the Sale of Alcohol. In the United States, Nonappropriated Fund Instrumentalities that sell alcoholic beverages and beer (in accordance with Air Force Instruction 34-219) are not subject to state or local taxes and licensing requirements.

8.2.4. Nonappropriated Fund Instrumentality custodians should consult their local servicing Judge Advocate office on tax questions involving non-Federal taxing authorities. Air Force Services Activity Judge Advocate should also be notified.

8.2.5. Report disputes involving taxes in accordance with Air Force Instruction 51-301, *Civil Litigation*. Notify and send all reports to the Air Force Legal Operations Agency. Forward a copy of all reports to Air Force Services Activity Judge Advocate.

8.3. Taxes Levied by Foreign Governments. Nonappropriated Fund Instrumentalities usually are exempt from foreign duties and taxes, either by the express provisions of an international agreement or by recognition that Nonappropriated Fund Instrumentalities are United States instrumentalities. Report any attempted taxation by foreign countries or their political subdivisions to the Air Force Legal Operations Agency as required by Air Force Instruction 51-301, [paragraph 6.2](#). Send a copy to Air Force Services Activity Judge Advocate.

8.4. Collecting Taxes for Foreign Governments. Nonappropriated Fund Instrumentalities have no authority to collect taxes for a foreign government unless the United States has consented to do so by international agreement.

8.5. Tax Reporting for Individual Services Contracts, Awards, Bingo, and Prizes. Nonappropriated Fund Instrumentalities report the amount paid to any individual when it exceeds a specified dollar amount. The guidance in this paragraph applies to individual service contracts, awards, bingo, and prizes. Refer to Air Force Instruction 34-209 for accounting procedures and some reporting requirements.

8.5.1. The Nonappropriated Fund Instrumentality reports nonappropriated fund individual services contracts, including contracts with entertainers, which add up to \$600 or more during a calendar year to Air Force Services Activity Financial Management Shared Service Center Expenditures Accounts Payable. Refer to Internal Revenue Service Form 1099 Miscellaneous Income and Internal Revenue Service instructions for additional information. Internal Revenue Service Form 1099's are centrally reported to the Internal Revenue Service by the Air Force Services Activity Financial Manager.

8.5.2. A Nonappropriated Fund Instrumentality must report to the Internal Revenue Service any person who receives cash, prizes, or awards from a Nonappropriated Fund Instrumentality for contests (Bingo is not a contest, it is a game, see below), including sporting events and commercial sponsorship totaling \$600 or more for the calendar year. The \$600 or more should be evaluated as a singular event. Winnings include the fair market value of payment in any form other than cash (for example, a car, golf cart, television, and golf clubs).

8.5.3. A Nonappropriated Fund Instrumentality must report to the Internal Revenue Service any person who receives a payment of \$1,200 or more from one bingo game or gaming machine payout. Refer to the Services Agency Information System website (or future versions/replacements) W2 Print Application for completion of the Internal Revenue Service Form W-2G and additional information. Internal Revenue Service Forms W-2G are centrally reported to the Internal Revenue Service by the Air Force Services Activity Financial Management and Comptroller Directorate. NOTE: Cash payments only from bingo winnings are reported on Internal Revenue Service Form W-2G. There is not a requirement to record bingo cash payments under \$1,200 for reporting on Internal Revenue Service Form 1099-M.

8.6. Interest and Penalty Payments. As a general rule, one Federal agency may not assess interest and penalties against another, except where specifically authorized by law.

8.6.1. Before payment, the servicing Judge Advocate office reviews any interest or penalty charges assessed against a Nonappropriated Fund Instrumentality by another Federal agency or instrumentality. The servicing Judge Advocate office shall consult with Air Force Services Activity Judge Advocate.

8.6.2. Nonappropriated Fund Instrumentalities must pay interest and penalty assessments under Federal law where the amounts are payable to an individual rather than to the government. Examples are the interest and penalties that may be required by the Nonappropriated Fund Workers' Compensation Program under the Longshore and Harbor Workers' Compensation Act (33 U.S.C. §§ 901 *et seq.*).

Chapter 9

SPECIAL USES OF NONAPPROPRIATED FUNDS

9.1. Trophies and Awards. The guidance in this paragraph applies to the purchase of trophies and awards with nonappropriated funds. Awards involving any form of Nonappropriated Fund Instrumentality profit-sharing are prohibited.

9.1.1. Expenditures are made only when:

9.1.1.1. Appropriated funds are not authorized (see Air Force Instruction 65-106).

9.1.1.2. The activities or programs are not mission related.

9.1.1.3. This chapter authorizes the use of nonappropriated funds.

9.1.2. Use nonappropriated funds to purchase trophies and awards for:

9.1.2.1. Competitive excellence in specified activities and programs.

9.1.2.2. Individual recognition of achievements authorized by Air Force instructions.

9.1.3. Use Morale, Welfare, and Recreation nonappropriated funds for:

9.1.3.1. Trophies, plaques, US savings bonds, property, and cash awards for recreational competitive contests and events that are:

9.1.3.1.1. Officially announced in advance.

9.1.3.1.2. Conducted within a stated period.

9.1.3.1.3. Open equally to all eligible people and organizations that the Nonappropriated Fund Instrumentality supports.

9.1.3.2. For recognizing participation achievement; for example, complimentary pin or patch for bowling a 300 game or a hole-in-one.

9.1.4. Use nonappropriated funds to pay for the following awards:

9.1.4.1. For nonappropriated fund employee incentive award and recognition programs.

9.1.4.2. For nonappropriated fund employees participating in the Nonappropriated Fund Instrumentality suggestion program (Air Force Instruction 34-301, *Nonappropriated Fund Personnel Management and Administration*).

9.1.5. To ensure a consistent awards program:

9.1.5.1. Make the award commensurate with the achievement or accomplishment.

9.1.5.2. Ensure accomplishment and competition awards are officially established, announced, and (usually) of a continuing nature. Give awards annually, unless you wish to honor a unique accomplishment or when more frequent awards would clearly benefit the program.

9.1.5.3. Limit the number of trophies, plaques, useful property awards, and similar items, as necessary. **For Awards Specific to Morale, Welfare, and Recreation Participation Programs**

9.1.6. The Force Support Squadron commander or director annually reviews all award programs and decides whether they warrant continuation as part of the nonappropriated fund budget process.

9.1.7. The Mission Support Group approves limits on cash or merchandise awards for sports and recreational events. For such events:

9.1.7.1. Publicize all events to attract as many participants as possible and avoid preferential treatment for a select few.

9.1.7.2. Award only accomplishments achieved in sanctioned play, tournaments, or events rather than open, free, or unsupervised activities.

9.1.7.3. Evaluate the cost of each award against the value of awards from sponsoring associations that recognize the same kind of accomplishment (for example, an American Bowling Congress award for bowling a 300 game).

9.1.7.4. Require competitors to acknowledge, in writing, that they understand that accepting cash prizes could void their amateur status.

9.1.7.5. Be prepared to give alternative awards, such as plaques, to those who decline cash. (See **Chapter 8** for payment of taxes and other Air Force Instruction 34-series instructions for any further limitations on awards for sport competitions.)

9.1.8. In addition to cash or property, awards may include coupons for rounds of golf, lines of bowling, or free use of other Morale, Welfare, and Recreation activities. The Force Support Squadron commander or director approves such awards. Do not use the Force Support Squadron gift card for employee awards.

9.1.8.1. Ensure all cash and cash equivalents employee awards are taxed and entered into the payroll system.

9.2. Travel and Transportation.

9.2.1. Defense Travel System, will be used for official travel of all nonappropriated fund personnel and appropriated personnel utilizing nonappropriated funds for official travel. The Joint Travel Regulations will apply to all official travel of nonappropriated fund personnel and appropriated personnel utilizing nonappropriated funds for official travel. Travel for individuals/groups, or sports teams sponsored by a Morale, Welfare, and Recreation program may be partially funded based on the availability of nonappropriated funds. Unfunded travel requirements may be paid by travelers with personal funds, but will not constitute a gift to either the Air Force or the Nonappropriated Fund Instrumentality or an inappropriate augmentation of nonappropriated funds. Any deviations require approval from the Air Force Services Activity Financial Management and Comptroller Directorate. The Defense Travel System is not used for payment, only for the orders and travel authorization portion of the travel and completion of the voucher. Payment of the voucher must take place through the normal nonappropriated fund disbursement request process. Take the documentation from Defense Travel System for the completed travel and use it as back-up documentation for the disbursement request. Split disbursement is mandatory and may have to be computed manually to determine the proper amount to pay the traveler and government travel card.

9.2.2. Temporary duty travel with appropriated funds is authorized for a nonappropriated fund employee when an authorized Department of Defense official directs the travel and it is related to business supported by appropriated funds.

9.2.3. The Nonappropriated Fund Instrumentality directing the travel pays for the travel expenses of nonappropriated fund officials or employees traveling on nonappropriated fund business; that is, the internal operations of the Nonappropriated Fund Instrumentality (as opposed to supervisory functions that are official Government business).

9.2.3.1. Never use nonappropriated funds for travel to functions that the Nonappropriated Fund Instrumentality does not support. For example, do not use lodging funds for travel for training on family housing.

9.2.3.2. Appropriated fund employees may travel on nonappropriated fund funded travel orders, when the travel is funded by a Nonappropriated Fund Instrumentality memorandum of agreement under 10 United States Code Section 2492 or at a Joint Base location utilizing uniform funding and management funding under 10 United States Code Section 2491 or with an approved waiver to fund source as outlined in AFI 65-106.

9.2.4. Use appropriated funds to transport nonappropriated fund property except as otherwise authorized (See Air Force Instruction 65-106).

9.2.5. Nonappropriated fund employees selected for a permanent change of station and who sign a transportation agreement may be allowed essential travel and transportation expenses.

9.2.6. Use nonappropriated funds to buy scheduled commercial airline tickets and recreational tourism services.

9.2.6.1. Air carriers providing nonappropriated fund-funded charter flights must:

9.2.6.1.1. Be certified by the Federal Aviation Administration.

9.2.6.1.2. Meet the requirements of part 121 of the Federal Aviation Administration regulations.

9.2.6.1.3. Be authorized by Air Mobility Command to perform the services.

9.2.6.2. Submit requests to charter air carriers using nonappropriated funds to HQ Air Mobility Command, Scott Air Force Base IL 62225-5001, 60 days prior to the required dates for the chartered flight.

9.2.7. Nonappropriated Fund Instrumentality official travel is performance of official Nonappropriated Fund Instrumentality business authorized by valid travel orders and paid for with nonappropriated funds. Centrally Billed Accounts will be used for control of nonappropriated fund Official Travel. Every Installation Nonappropriated Fund Instrumentality has been issued a valid Centrally Billed Account. Contact Air Force Services Activity Financial Management and Comptroller Directorate for questions/concerns on Centrally Billed Accounts and associated processes.

9.2.7.1. Nonappropriated Fund Instrumentalities are authorized access to all Government city-pair and other Government official travel fares (including General Services Administration-negotiated tariffs) for Nonappropriated Fund Instrumentality official travel. Billing will be through the Government Travel Card credit card system.

9.2.7.2. Travelers/Group Travelers and Sports Teams sponsored by Morale, Welfare, and Recreation are entitled to use city-pair fares. Individuals must be government employees, either military or civilian, appropriated fund or nonappropriated fund, traveling on official government business (Morale, Welfare, and Recreation Official Programs).

9.2.7.3. Travel services for Nonappropriated Fund Instrumentality official travel are provided in the same manner as for appropriated fund official travel. However, all payments, accounting actions, and travel claims are handled by the local (installation-level) Nonappropriated Fund Instrumentality verifying authority, with the actual payment processing from the shared service center. Policy and guidance on nonappropriated fund travel and voucher computation is available at the Air Force Services Activity Financial Management and Comptroller Directorate.

9.2.8. Active Duty personnel participating on sport teams sponsored by Morale, Welfare, and Recreation should be on permissive temporary duty orders from their home units in accordance with AFI 36-3003, *Military Leave Program*, Table 4.5, Rule 12.

9.2.8.1. The permissive orders are given to the individual preparing the nonappropriated fund travel orders and then forwarded to the nonappropriated fund accounting office as supporting documentation.

9.2.8.2. All billings, payments, accounting actions, and travel claims should be handled by the local Nonappropriated Fund Instrumentality verifying authority.

9.2.8.3. The Morale, Welfare, and Recreation program will determine which elements of a partially funded travel expenses will be funded. These elements may include air fare, lodging, vehicle rental, meal and incidental expense per diem, or other travel related costs.

9.2.9. The use of government vehicles for nonappropriated fund TDY purposes is authorized in accordance with AFI 65-106. Travelers on partially-funded travel orders may be required to share rental vehicles, including oversized rental vehicles, in order to accommodate team travel. Travelers on permissive temporary duty orders may travel on a space available basis with travelers on official orders.

9.3. Fundraising Events. See Air Force Instruction 36-3101.

9.4. Nonappropriated Fund Instrumentality Advertising. Nonappropriated Fund Instrumentalities, whether engaged in resale or not, communicate their presence and the goods and services they offer to as many authorized potential customers as they can.

9.4.1. Advertising must not reflect unfavorably on the Nonappropriated Fund Instrumentality, Air Force, Department of Defense, or any part of the Federal Government. See Air Force Instruction 34-108 for specific guidance on advertising.

9.4.2. Only mail or electronically send materials promoting the sale of specific commercial products or services to customers who voluntarily sign up to receive such advertising.

9.4.2.1. This restriction applies to any mailings containing specific branded products or pricing information.

9.4.2.2. Do not send mail-order catalogs under any circumstances.

9.4.3. Nonappropriated funds pay for the cost of promotional mailings including postage.

9.4.4. Nonappropriated Fund Instrumentalities may:

9.4.4.1. Purchase or otherwise arrange for advertising their services and events in non-Department of Defense media produced primarily for distribution on the installation or to authorized customers.

9.4.4.2. Purchase, prepare, or produce advertising items for supported activities (such as ballpoint pens or calendars) for distribution to authorized customers.

9.4.4.3. Participate in coupon redemption programs offered to the general public or to the military community. Administration and accounting costs associated with the redemption program may not exceed the benefits to customers and the Nonappropriated Fund Instrumentality.

9.4.5. Nonappropriated Fund Instrumentalities may sell space for commercial advertising in any of its media (publications, printed or electronic signs, nonappropriated fund-funded commercial web sites, etc.) in accordance with Air Force Instruction 34-108.

9.4.6. The US Armed Forces installation or activity newspapers and American Forces Radio and Television Service may carry unpaid noncommercial news stories, announcements, and listings of services that Nonappropriated Fund Instrumentality activities offer to command or activity personnel. In news stories and announcements concerning US Armed Forces professional entertainment events, Armed Forces newspapers (including Stars and Stripes), civilian enterprise publication, and Air Force Reserve outlets, include the name of commercial sponsors with other story facts and appropriate disclaimers.

9.5. Open Houses and Air Shows. See Air Force Instruction 34-101 and Air Force Manual 10-1004, *Conducting Air Force Open Houses*.

9.6. Nonappropriated Fund Instrumentality Vehicles. See Air Force Instruction 34-204 for specific guidance.

9.6.1. Use Nonappropriated Fund Instrumentality vehicles for official Force Support Squadron and Nonappropriated Fund Instrumentality purposes only. Do not use them for private business, unofficial purposes, or personal convenience.

9.6.2. Do not use them for installation protocol or other appropriated fund requirements unless the installation commander authorizes each use in writing.

9.6.2.1. Each authorization states that the vehicle is being temporarily assigned to the appropriated fund function and states the duration of the assignment.

9.6.2.2. When so used, the vehicle serving an appropriated fund function is not covered by the nonappropriated fund self-insurance liability program. Appropriated fund liability applies and drivers must be in an official duty status.

9.6.3. For nonappropriated fund vehicles used for appropriated fund functions:

9.6.3.1. Always use an appropriated fund driver.

9.6.3.2. Make sure the proposed use does not conflict with the vehicle's primary nonappropriated fund mission.

9.6.3.3. Limit the vehicle's use to purposes approved for appropriated fund vehicles.

9.6.3.4. Require appropriated fund reimbursement for any nonappropriated funds used for fuel or direct repairs or maintenance as a result of this usage. Or use direct appropriated fund funding for the fuel or necessary repairs/maintenance.

Chapter 10

WAIVERS, EXCEPTIONS, AND SPECIAL APPROVALS

10.1. Waivers and Exceptions. This chapter provides the authority for waivers to this Air Force Instruction.

10.1.1. Only those procedures and guidelines specifically referenced in this Air Force Instruction are eligible for waiver.

10.1.2. Waivers and exceptions to policy for Civilian Welfare Fund require advance approval from the Air Force Civilian Welfare Fund Board ([Chapter 14](#)).

10.1.3. Waivers and exception to policy for the Air Force Fisher House Fund require advance approval of the Air Force Fisher House Fund Board ([Chapter 13](#)).

10.2. Submitting Requests for Air Force Approval.

10.2.1. To obtain a waiver, special authorization, change in policy, or other such exception, the request must be submitted by the appropriate installation commander. Forward requests with justification to Air Force Services Activity for processing to the applicable higher Air Force authority.

Chapter 11

TENANT AND ISOLATED UNITS

11.1. Tenants and Hosts.

11.1.1. A tenant is:

11.1.1.1. A military organization of one service that occupies facilities on an installation under the jurisdiction of another service. (See Department of Defense Instruction 1015.15 for guidance on providing Morale, Welfare, and Recreation fund benefits to tenant organizations of another Service.)

11.1.1.2. An Air Force organization of one Major Command or Field Operating Agency located on or attached to an Air Force installation under the jurisdiction of another Major Command or Field Operating Agency.

11.1.2. The host is one of two entities:

11.1.2.1. The Major Command or installation commander that has jurisdiction over the installation or other real property that the tenant occupies.

11.1.2.2. The organization that the host Major Command (or lead service component in a Joint Base situation) or Headquarters Air Force designates to furnish tenant support.

11.1.3. Host commanders oversee all aspects of Morale, Welfare, and Recreation operations. They provide the same Morale, Welfare, and Recreation services and comparable benefits for tenants as they do for organizations under their control.

11.2. Isolated Units.

11.2.1. An isolated unit is an organization that meets both of these criteria:

11.2.1.1. Is not located on a military installation with Morale, Welfare, and Recreation programs and is not located within 15 miles of such an installation.

11.2.1.2. Does not receive an Army and Air Force Exchange Service allocation.

11.2.2. Isolated units may also include:

11.2.2.1. Security groups or recruiting, communication, or weather detachments.

11.2.2.2. Military training groups at colleges and universities, Reserve Officers' Training Corps.

11.2.2.3. Radar squadrons.

11.2.2.4. Air National Guard wings or stand-alone unit (i.e. RED HORSE).

11.3. Getting Morale, Welfare, and Recreation Support for Tenant Units. A tenant unit is a unit within 15 miles of a military installation with Morale, Welfare, and Recreation programs and receives its Morale, Welfare, and Recreation support from the applicable military installation.

11.3.1. Stipulate in a support agreement with the installation that the installation will:

11.3.1.1. Provide access to the installation's Morale, Welfare, and Recreation facilities and services.

11.3.1.2. Allow the tenant unit full participation/access in and to Morale, Welfare, and Recreation programs and facilities.

11.3.1.3. Provide other support as established by the installation commander.

11.3.2. Report problems in obtaining needed support through command channels for resolution.

11.3.3. Provides on-the-spot assistance on Morale, Welfare, and Recreation matters to smaller units that cannot employ personnel or are not authorized assigned personnel for Morale, Welfare, and Recreation programs.

11.4. Establishing a Support Agreement.

11.4.1. A tenant unit may establish a support agreement with any Air Force installation within a 15-mile radius, regardless of whether other military installations may be closer. A tenant on an installation may only get its support from the installation on which it is located.

11.4.2. A tenant unit may establish an agreement for Morale, Welfare, and Recreation support with only one military installation at a time.

11.4.3. Include intra-command support in the support agreement.

11.4.3.1. The Major Command Manpower, Personnel and Services Director with assistance from Air Force Services Activity Installation Support Directorate negotiates such agreements and gets approval from the host-tenant Major Command. The Major Command Manpower, Personnel and Services Director approves a memorandum of understanding, including the intra-command support provided.

11.4.3.2. The unit fund custodian keeps a copy of the memorandum of understanding in the Life of Fund file.

11.4.4. Tenant units are not necessarily entitled to host installation Morale, Welfare, and Recreation funds for unit parties and picnics.

11.4.4.1. Installations may choose to provide such support ([paragraph 4.3.2](#)).

11.4.5. Air Force Services Activity Financial Management and Comptroller Directorate provides funding annually for Defense Attaché offices and all isolated unit funds based on estimated military strength and adjusted to actual expenses at the end of the fiscal year.

11.4.6. Establish an isolated unit as an isolated unit fund when the unit's nonappropriated fund revenues exceed, or are expected to exceed, \$40,000 per year. The isolated unit fund is subject to all nonappropriated fund policies and written guidance and have specific reporting requirements.

11.4.7. Isolated Units are encouraged to establish Nonappropriated Fund Councils per [Chapter 2 \(paragraph 2.7\)](#).

11.5. Determining Morale, Welfare, and Recreation Support for Isolated Units.

11.5.1. Isolated Unit Report. Annually, by 1 October, Air Force Services Activity Financial Management and Comptroller Directorate forwards a template to Air Force Services Activity Installation Support Directorate. By 15 November of each year, Air Force Services Activity Installation Support Directorate returns the completed report to Air Force Services Activity

Financial Management and Comptroller Directorate with a listing of all isolated units. This report includes:

11.5.1.1. The unit name and location.

11.5.1.2. Military strength by branch of service and type (Active, Air Force Reserve and Air National Guard).

11.5.1.3. Name and distance from closest military installation.

11.5.1.4. Location Personnel Accounting Symbol code.

11.5.1.5. Any additional Morale, Welfare, and Recreation support the unit receives.

11.5.1.6. Amount spent by the unit during the past fiscal year.

11.5.1.7. Nonappropriated fund cash balance in the unit's account as of 30 September.

11.5.1.7.1. The unit's most current banking information to include: name of the institution and account/routing indicator number. All unit funds are transferred electronically, unless the location makes this physically impossible. These will be handled on a case-by-case basis.

11.5.2. Air Force Services Activity Financial Management and Comptroller Directorate provides funding to each isolated unit annually at a per capita rate, based on the Air Force Installation Mission Support Center Commander or designee approved formula.

11.6. Accounting for Morale, Welfare, and Recreation Disbursements to Isolated Units.

11.6.1. Isolated unit funds will be accounted for on the Air Force Morale, Welfare, and Recreation Fund financial statements, unless circumstances make it necessary to use an installation's Morale, Welfare, and Recreation Fund. Accounting is in accordance with Air Force Instruction 34-209.

11.6.2. Do not co-mingle nonappropriated funds with any other type of funds (State, Federal, private, or other).

11.6.3. Isolated unit funds may accept donations/contributions in accordance with procedures set forth in [Chapter 5](#). Once they are accepted, they become nonappropriated funds so there is no co-mingling of funds.

11.7. Disbursing Funds to Isolated Units.

11.7.1. Air Force Services Activity Financial Management and Comptroller Directorate will disperse funds to isolated unit funds.

11.7.2. Air Force Services Activity Commander or designee may designate an installation Morale, Welfare, and Recreation Fund to provide Morale, Welfare, and Recreation Fund support to an isolated unit.

11.7.3. An isolated unit fund may act as a consolidated Nonappropriated Fund Instrumentality to account for the funds of other isolated units that the same installation Morale, Welfare, and Recreation Fund supports. The fund may include other military service units by agreement.

11.7.4. Air Force Services Activity Commander or designee may provide Morale, Welfare, and Recreation funds to the parent organization to use for a group of isolated units or detachments.

Chapter 12

SUPPORT FOR SPECIAL MORALE AND WELFARE PURPOSES

12.1. Special Morale and Welfare Expenditures.

12.1.1. Special Morale and Welfare expenditures are nonappropriated fund expenditures considered necessary to contribute to the overall morale and welfare of the military community. Special Morale and Welfare expenditures must:

12.1.1.1. Be conservative.

12.1.1.2. Be in the best interests of the Air Force.

12.1.1.3. Benefit the military community.

12.1.1.4. Not be limited to specific grades or levels of personnel.

12.1.2. Special Morale and Welfare authority cannot be used in lieu of appropriated funds for purposes authorized in Air Force Instruction 65-603, *Official Representation Funds* or Air Force Instruction 65-601, Vol 1, *Budget Guidance and Procedures*.

12.1.3. **Resource Manager Office and Nonappropriated Fund Financial Analyst** representatives conduct periodic evaluations of the Special Morale and Welfare program. The evaluation may be done by telephonic or electronic means. Representatives provide a written report of findings to appropriate personnel for resolution.

12.2. Commander Responsibilities.

12.2.1. Commanders may approve expenditures of nonappropriated funds from the applicable Morale, Welfare, and Recreation Fund for Special Morale and Welfare purposes according to this chapter.

12.2.1.1. Obtain advance approval prior to all Special Morale and Welfare expenditures. Installation commanders establish procedures to ensure all purchases to be funded under Special Morale and Welfare authority are approved in advance.

12.2.1.2. Installation commanders may delegate expenditure approval authority, in writing, up to specific amounts for recurring functions such as memorial observances, recognition programs, changes of command, and occasions that orient members of the command. Delegation of approval authority must be made a matter of record in Nonappropriated Fund Council minutes and remains in effect until it is rescinded or a change of commander or other delegating authority has occurred. Retain a copy of the delegation letter in the life of fund file. **(T-1)**

12.2.1.3. Installation commanders may delegate approval authority to the Vice Commander or Director of Staff-level for non-recurring functions. They may also delegate non-recurring approval authority to a supported tenant commander, as applicable. **(T-1)**

12.2.1.4. Installation commanders submit a quarterly report of all Special Morale and Welfare expenditures to Air Force Services Activity Installation Support Directorate for consolidation and review. Installation commanders may delegate approval authority to the Vice Commander or Director of Staff-level. Itemize each expenditure, the dollar amount, purpose, items or services purchased, and recipients. **Attachment 6** includes the format, with minimum required information, to be used in completing the quarterly report. Reports are due by the 20th of the second month following the end of each quarter. The commander may submit by electronic or non-electronic means. **(T-1)**

12.2.1.5. Persons who are delegated authority to approve purchases must comply with Air Force Manual 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, where nonappropriated fund purchases are involved.

12.2.1.6. Commanders may establish a Morale, Welfare, and Recreation petty cash fund or nonappropriated fund purchase card account to expedite small item purchasing. Organizations are highly encouraged to establish and use a nonappropriated fund purchase card wherever possible to minimize or eliminate use of petty cash funds.

12.2.2. Host commanders have an obligation to fulfill the Special Morale and Welfare requirements for their unit commanders, tenant unit commanders on their bases, and off-base unit commanders for which they have Morale, Welfare, and Recreation Fund support responsibility. This obligation includes Sister Service units. **Attachment 7** includes the minimum information required on Special Morale and Welfare requests. This information may be provided by electronic or non-electronic means.

12.2.3. The commander decides what Special Morale and Welfare needs will be met and closely scrutinizes each expenditure to avoid criticism or embarrassment to the Air Force. Initially forward all requests for Special Morale and Welfare expenditures to the installation financial manager for funding from appropriated funds (Air Force Instruction 65-601, Volume 1, and Air Force Instruction 65-603).

12.2.3.1. If financial manager certifies Operation and Maintenance appropriated funds or official representation funds are not authorized, nonappropriated funds may be used for authorized Special Morale and Welfare expenditures.

12.2.3.2. If appropriated funds are authorized but not available, nonappropriated funds cannot be used.

12.2.3.3. Financial manager certification of certain types of recurring expenditures, not authorized appropriated funds, may be performed at the beginning of each fiscal year, made a matter of record in the nonappropriated funds council minutes, and retained in the life of fund file. This certification eliminates the necessity of coordinating each recurring expenditure not authorized appropriated funds through financial manager during the fiscal year.

12.2.4. Commanders must exercise restraint in using Special Morale and Welfare expenditure authority for purposes described in this chapter, so that basic Morale, Welfare, and Recreation programs and services are not deprived of the nonappropriated fund resources required to ensure their effectiveness. The authorization for Special Morale and Welfare expenditures does not constitute a commander's fund in any sense. Make no assumptions that funds are automatically available.

12.3. Morale, Welfare, and Recreation Fund Custodian Responsibilities.

12.3.1. The custodian:

12.3.1.1. Briefs incoming commanders who exercise Special Morale and Welfare expenditure authority on the provisions in this chapter and current installation Special Morale and Welfare policy.

12.3.1.2. Prepares quarterly reports and accounts for all Special Morale and Welfare expenditures using guidance provided in this chapter and [Attachment 6](#).

12.3.1.3. Ensures quarterly reports are reconciled to supporting expenditure documents and to quarterly balances in the financial statements. The Major Command or installation financial manager and Judge Advocate, as appropriate, reviews/coordinates on all quarterly reports.

12.3.1.4. Conducts internal control reviews on issued nonappropriated fund petty cash funds and nonappropriated fund purchase cards.

12.4. Permissible Expenditures. Commanders and others delegated approval authority will not expend funds for Special Morale and Welfare purposes if the expenditures are authorized elsewhere in this instruction or authorized from appropriated funds (Air Force Instruction 65-601, Volume 1, or Air Force Instruction 65-603). This paragraph provides definitions of terms and lists examples of permissible Special Morale and Welfare expenditures as authorized in [Table 12.1 \(T-0\)](#)

12.4.1. Definitions for purposes of this chapter.

12.4.1.1. Light refreshments: only nonalcoholic beverages (i.e. coffee, tea, milk, juice, punch, soft drinks, and water), yogurts, pastries, bagels, fruit/vegetable/cheese and cracker trays, pretzels, cookies, chips, dips, cake, and muffins are authorized. The cost of light refreshments may include the cost of disposable serving ware (e.g., paper napkins, disposable forks, cups, and plates) and any club or other Morale, Welfare, and Recreation activity service charge, delivery fee, or set-up fee. The purchase of china, silverware/flatware, tablecloths, plates, glasses, punch bowls and cups, chafing dishes, serving trays, coffee urns, etc., from Special Morale and Welfare is prohibited.

12.4.1.2. Immediate Family: includes spouse and children, if the member is married. If not married, Special Morale and Welfare authority may be used for the member's mother, father, children, brother(s)/sister(s).

12.4.1.3. Commander's Call: may include a civilian director (commander-equivalent) for a wing, center, group, or squadron. This authorization does not extend to directors within a commander's staff who wish to hold calls for their subsection of the overall command.

12.4.2. Individual recognition programs for military and civilian employees.

12.4.2.1. Meals or light refreshments as authorized in [Table 12.1](#) Meals are not authorized for award winners in per diem status.

12.4.3. Memorial observances (local) that uphold traditions of the Service and the United States are authorized light refreshments as authorized in [Table 12.1](#).

12.4.4. For memorial observances for deceased members and/or their immediate families, authorized expenditures include flowers or a wreath.

12.4.5. Installation base-wide newcomers' orientation for military or civilian personnel. Spouses may be invited to attend. Special Morale and Welfare may also be authorized for orientations for students at Air Force schools (e.g., Air Command and Staff College, Air War College, etc.) where the duration is such that military attendees will be on permanent change of station orders.

12.4.6. Commander's call may be combined for all grades or levels of personnel or separated into smaller groups; however, if separated, total support should be proportional to the number of people involved, not their grades.

12.4.7. Change or assumption of command ceremony receptions, at or above the squadron level, on a modest basis for the incoming commander or civilian equivalent. Use of nonappropriated funds for farewell receptions for changes of command is not authorized.

12.5. Prohibited Expenditures. The following list is not all-inclusive. Commanders and those delegated approval authority will not make Special Morale and Welfare expenditures for: **(T-0)**

12.5.1. Purposes that do not directly relate to the overall morale and welfare of the command and the interests of the Air Force.

12.5.2. Purposes for which the use of Morale, Welfare, and Recreation funds is expressly prohibited in this instruction; that would conflict with Department of Defense 5500.07-R; or that would circumvent administrative or legal restrictions on the use of nonappropriated funds.

12.5.3. Contributions or support for private individuals, installation-recognized Private Organizations and non-Federal entities, other Nonappropriated Fund Instrumentalities, or non-Air Force government organizations, except as permitted in paragraphs [12.2.3](#) and [12.4.4](#)

12.5.4. Contributions to national or local charities, foundations, or similar organizations.

12.5.5. Financing Department of Defense or Air Force directed programs, operations, or services having no connection with Morale, Welfare, and Recreation. Examples are:

12.5.5.1. Purchasing, maintaining, and repairing non-Morale, Welfare, and Recreation furnishings, equipment, and supplies.

12.5.5.2. Altering, modifying, maintaining, or repairing facilities.

12.5.5.3. Paying salaries or other compensation to people not working in Morale, Welfare, and Recreation.

12.5.5.4. Lodging programs.

12.5.6. Gifts or amenities except those listed in paragraph [12.4](#)

12.5.7. Free alcoholic beverages even if associated with a unit event or ceremony or open bar for any function.

12.5.8. Protocol or command representation functions that are authorized appropriated fund support, meals (except as authorized in this instruction), or entertainment.

12.5.9. Not available as a category of expenditure for isolated unit funds.

12.6. Propriety of Expenditures. Commanders judge the propriety of requested expenditures based upon this chapter.

12.6.1. **Table 12.1** provides examples of situations and occasions where Special Morale and Welfare funds may or may not be used.

12.6.2. If commanders are unsure whether a proposed expenditure is proper, they should request assistance from Air Force Services Activity Installation Support Directorate Resources Branch, Resources and Requirements Division who may consult or elevate issues to the Air Force Services Activity Financial Management and Comptroller Directorate, as appropriate.

Table 12.1. Special Morale and Welfare and Related Expenditures.

R U L E	A	B
	If support is for:	Nonappropriated Special Morale and Welfare expenditures are:
INDIVIDUAL RECOGNITION PROGRAMS		
Competitive Award Programs:		
1	excellence in a particular function, school incentive program associated with the school's mission, mission accomplishment, special incentive program, or compliance motivation as authorized in a 36-series Air Force Instruction	not authorized
2	competitive base-wide annual and quarterly awards programs (such as airman, noncommissioned officer, officer, and civilian of the quarter/year) officially announced in advance, open to the base at large, and authorized in a 36-series Air Force Instruction	authorized (see below for specific expenditures)
3	trophies, plaques, and other awards (excluding athletic events associated with base Morale, Welfare, and Recreation sports programs)	not authorized
4	gift certificates, gift cards, coupons, savings bonds, and nominal cash awards	authorized (Not To Exceed \$50.00)
5	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages) at awards ceremonies	authorized (\$3.00 per person, Not To Exceed \$300.00 (whichever is less))
6	meals for award winners and spouses (parent, child, sister, or brother in lieu of spouse)	authorized (if not in temporary duty status)
7	travel and per diem for attendance at awards ceremonies	not authorized
8	alcoholic beverages or any other expense	not authorized
9	intramural sports and athletic competitions	not authorized
Installation level Key Spouse Program Volunteer Recognition (once per year):		
10	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$400.00 (whichever is less))
11	alcoholic beverages or any other expense	not authorized
Promotion Ceremonies:		
12	insignia, stripes, and similar items	not authorized
13	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$50.00 per individual ceremony (whichever is less) or \$3.00 per person, Not To Exceed \$300.00 for group ceremonies (whichever is less) (T-3)
14	alcoholic beverages or any other expense	not authorized
Retirement:		
15	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$50.00 per individual ceremony (whichever is less))
16	corsage/boutonniere for spouse of retiree	authorized (Not To Exceed \$20.00)
17	mementos	not authorized
18	alcoholic beverages or any other expense	not authorized
MEMORIAL OBSERVANCES		
<i>for local observances that uphold traditions of the Service and the United States (such as Veteran's Day, Memorial Day, Deactivation Ceremony):</i>		
19	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized, Not To Exceed \$100.00
20	any other expense	not authorized
<i>upon the death of a military member or civilian employee of that organization; member of their immediate family; or distinguished leader of the local community with strong ties to the base:</i>		
21	flowers or wreaths	authorized (Not To Exceed \$100.00)
22	any other expense	not authorized

WELCOMING AND ORIENTING		
<i>for base wide newcomers' welcome/orientation:</i>		
23	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed \$200 per event)
24	alcoholic beverages or any other expense	not authorized
<i>for Commander's Call:</i>		
25	light refreshments, as defined in para 12.4.1.1.	authorized (\$3.00 per person, Not To Exceed \$200.00 for squadron, \$300.00 for group or \$500.00 for wing)
26	alcoholic beverages or any other expense	not authorized
<i>for annual recognition/informational event with members of the Wounded Warrior program (Air ForceW2) their family members, care givers and non-medical attendants:</i>		
27	light refreshments, as defined in para 12.4.1.1.	authorized (\$3.00 per person, Not To Exceed \$400.00 (whichever is less))
28	alcoholic beverages or any other expense	not authorized
CHANGE OR ASSUMPTION OF COMMAND CEREMONIES		
<i>authorized for ceremonies at or above squadron level for change of military commander or civilian equivalent:</i>		
29	for pro rata share of costs for authorized non-Department of Defense attendees, excluding alcoholic beverages	not authorized
30	light refreshments, as defined in para 12.4.1.1. (other than alcoholic beverages)	authorized (\$3.00 per person, Not To Exceed the following amounts (whichever is less): \$2,000 for Major Command/ Nonappropriated Fund/Combatant Cost Center, or equivalent; \$1,000 for Field Operating Agency/Center/Wing, or equivalent; \$500 for Group, or equivalent; \$250 for Squadron, or equivalent)
31	alcoholic beverages or any other expense	not authorized

Chapter 13

AIR FORCE FISHER HOUSE FUND

13.1. General. This chapter addresses the Air Force Fisher House Fund, the Air Force Fisher House Fund Board of Directors, and local Fisher Houses. The mission of Air Force Fisher Houses is to provide support and temporary lodging adjacent to major Air Force medical treatment facilities for family members of patients with critical medical problems and other authorized guests. The Dover Fisher House, located at Dover Air Force Base, Delaware, is designated as a Fisher House for the families of the fallen. Its purpose is to support the Air Force Mortuary Affairs Operation by providing lodging for families and other approved individuals traveling to Dover Air Force Base while waiting for the dignified transfer of their loved ones' remains from overseas.

13.1.1. This chapter implements provisions of the Public Law 105-261, Section 906, and Public Law 107-314, Section 321, and Public Law 112-81, Section 643 (10 U.S.C. 2493). It provides the basic responsibilities, procedures, and practices for all Air Force Fisher Houses, which are sub-accounts of the Air Force Fisher House Fund, an Air Force Central Nonappropriated Fund Instrumentality administered by the Air Force Fisher House Fund Board.

13.1.2. The Air Force Fisher House Fund provides and administers the nonappropriated funds used in support of the operations of Air Force Fisher Houses at Air Force installations on behalf of the Secretary of the Air Force. The Air Force Fisher House Fund is funded by a transfer of Operations and Maintenance appropriations; gifts, donations, contributions, and grants; proceeds from the disposal of any owned, donated, or acquired property; and fees and charges. Air Force Fisher Houses are authorized installation operating support from the host installation (see Air Force Instruction 65-106). The Air Force Fisher House Fund will be operated according to this Air Force Instruction (except where inconsistent with this chapter), other applicable directives, and their successors.

13.2. Operating Philosophy. The operating philosophy of the Air Force Fisher House Fund Board is to:

13.2.1. Ensure the prudent use of available resources to provide the services addressed in [paragraph 13.1](#) above and promote the best interest of the Air Force.

13.2.2. Ensure balanced support for all Air Force Fisher Houses.

13.2.3. Provide the support and lodging services addressed in [paragraph 13.1](#) to occupants at the lowest cost possible consistent with sound business management while maintaining a break-even operation.

13.3. Responsibilities of the Air Force Fisher House Fund Board.

13.3.1. Acts for the Secretary of the Air Force in administering the Air Fisher House Fund and Fisher Houses.

13.3.2. Serves as the Air Force-level Board of Directors for the administration and operation of the Air Force Fisher House Fund and is responsible for ensuring the financial solvency of the Air Force Fisher House Fund is maintained.

13.3.3. Establishes policies for administration and use of the Air Force Fisher House Fund and Fisher Houses.

13.3.4. Reviews and prioritizes budget requests from Fisher Houses and allocates resources. Approves or disapproves the Air Force Fisher House Fund operational and capital budgets.

13.3.5. Controls the use, equitable distribution, and disposition of Air Force Fisher House Fund assets based on demonstrated needs.

13.3.6. Establishes financial and other standards for the Air Force Fisher House Fund and Fisher Houses.

13.3.7. Reviews annual financial results of Fisher House operations and directs program changes to meet standards, as required.

13.3.8. Approves or disapproves audit plans for the Air Force Fisher House Fund and Fisher Houses to ensure adequacy of protection of nonappropriated fund assets.

13.3.9. Authorizes establishment of additional Air Force Fisher House Fund subaccounts.

13.3.10. Approves or disapproves all construction/major renovation projects for Fisher Houses

13.3.11. Delegates its approval or disapproval of all contributions and donations to the Air Force Fisher House Fund as it deems appropriate, such delegation is currently depicted in **Table 13.1. (T-0)**

13.4. Air Force Fisher House Fund Board Composition and Advisors.

13.4.1. Deputy Surgeon General, Headquarters Air Force or designee, Chairperson.

13.4.2. Director of Air Force Services, or designee, Member.

13.4.3. Deputy Assistant Secretary, Cost and Economics, or designee, Member.

13.4.4. Commander, Air Force Services Activity, or designee, Member.

13.4.5. Fisher House Manager (Nonappropriated Fund-paid) which rotates on an annual basis or alternate, Member.

13.4.6. Air Force Judge Advocate General, Legal Advisor.

13.4.7. Air Force Services Activity Financial Management and Comptroller Directorate Custodian and Financial Advisor

13.4.8. Executive Director, Fisher House Foundation, Advisor.

13.4.9. Air Force Civil Engineer Facilities Division, Advisor

13.4.10. Surgeon General Program Manager, Headquarters Air Force, Executive Secretary.

13.5. Annual Reporting. Air Force Fisher House Fund Custodian and Air Force Services Activity Financial Manager prepare and present the annual report to the Air Force Fisher House Board. The report includes the following (at a minimum):

13.5.1. Amount of money in the Air Force Fisher House Fund account as of 1 October of the previous year.

13.5.2. Operations of the Fund during the previous fiscal year.

13.5.3. Gifts, fees, and interest credited to the Fund during the previous fiscal year.

13.5.4. Disbursements from the fund for the previous fiscal year.

13.5.5. Nonappropriated fund budgets for the operation of Fisher Houses for the fiscal year in which the report is submitted.

13.6. Operations of Fisher Houses.

13.6.1. The Installation Commander provides support services to the Fisher House with a combination of appropriated fund and nonappropriated fund resources (nonappropriated funds are sourced centrally and locally). Base operating support and indirect costs are funded with appropriated funds (in accordance with Air Force Instruction 65-106). The other direct costs of the day-to-day operations, maintenance, and improvements to the Fisher Houses are supported with local Air Force Fisher House Fund subaccount or other Air Force Fisher House Fund funds or assets.

13.6.1.1. The installation commander approves or disapproves acceptance of contributions and donations to the Air Force Fisher House Fund valued at more than \$500 up to and including \$50,000 and distributions from the Combined Federal Campaign in any amount. Part of this authority is delegable ([Table 13.1](#)).

13.6.2. The local Medical Treatment Facility Commander has the overall responsibility for the operations of the Fisher House and the following specific responsibilities:

13.6.2.1. Provides local administration of the operations of these facilities on behalf of the Air Force Fisher House Fund Board.

13.6.2.2. Designates an appropriated fund member of the medical treatment facility staff to provide continuing oversight of Fisher House operations.

13.6.2.2.1. Recruits, hires, trains, supervises, and evaluates Fisher House Managers. Fisher House employees are recruited, hired, and serviced by the installation's Nonappropriated Fund Human Resources Office using nonappropriated fund personnel policies and procedures.

13.6.2.2.1.1. Fisher House Manager responsibilities include the day-to-day operations of the Fisher House; employee hiring, training, supervision, and evaluation; safety and supervision of volunteers; safety and supervision of guests; providing required documentation to the Nonappropriated Fund Accounting Office (in accordance with applicable 34-series instructions and manuals); establishing appropriate lengths of stay for guests; and executing guest occupancy priorities. The Fisher House Manager is also responsible for providing the quarterly workload and occupant-bed-night information to the Force Support Squadron commander/director for submission to Air Force Services Activity Financial Management and Comptroller Directorate by the 10th of the month following the end of the quarter. The manager will also submit the fiscal year annual income and expense and nonappropriated fund requirements budget to the Force Support Squadron resource manager for submission to Air Force Services Activity Financial Management and Comptroller Directorate no later than 30 June.

13.6.2.2.2. Operates the Fisher House directly using nonappropriated fund personnel or a Nonappropriated Fund Instrumentality contract to secure the needed operating services. All such contracts are Air Force Fisher House Fund contracts and require Air Force Fisher House Fund Board approval.

13.6.2.2.3. Provides or arranges for support services for Fisher House occupants.

13.6.3. The Force Support Squadron commander/director, via the resource manager provides accounting, contracting, and financial management support. Fisher Houses must use nonappropriated fund contracting processes and procedures for nonappropriated fund requirements (Air Force Manual 64-302).

13.6.3.1. Reviews and compiles financial data for submission to Air Force Services Activity Financial Management and Comptroller Directorate as required.

13.6.3.2. Reviews and compiles budgets from the Fisher House Manager and submits annually, and as requested, the nonappropriated fund income and expense and capital requirements to Air Force Services Activity Financial Management and Comptroller Directorate.

13.6.3.3. Identifies proper fund source for supplies, maintenance and repair, and other requirements to maintain facility readiness. Those items authorized funding with appropriated funds (in accordance with Air Force Instruction 65-106) must be budgeted/expensed through the appropriated fund processes and procedures at each installation. Ensure these appropriated fund requirements are included in the appropriate funding requests. Nonappropriated funds may not be substituted as a fund source where appropriated funds are authorized, unless a waiver to fund source has been granted.

13.6.4. The Civil Engineering Squadron Commander repairs/maintains the Fisher House as part of the installation Real Property Inventory.

13.6.5. Nonappropriated fund-supported elements of Fisher House day-to-day operations, maintenance, and improvements must be self-sustaining. Nonappropriated funds may be generated through contributions, donations, and support from agencies such as the Air Force Aid Society and Combined Federal Campaign. Installations will establish Combined Federal Campaign accounts for their Fisher Houses. Installations should also maintain a continuing liaison with private charitable organizations that offer support. Supplemental nonappropriated fund resources from the Air Force Fisher House Fund may be allocated to individual Fisher Houses by the Air Force Fisher House Fund Board based on demonstrated need.

13.6.5.1. The Fisher House Foundation, Inc., a not-for-profit organization, offers funds to defray all the occupancy fees that would normally be incurred by military personnel, their family members, and other authorized individuals who stay in Fisher Houses. It is understood that Fisher Houses will not charge fees to Fisher House guests; a Memorandum of Understanding between the Fisher House Foundation, Inc. and the Air Force Fisher House Fund stipulates the Fisher House Foundation will provide a bed-night proffer monthly to offset operational expenditures. Air Force Services Activity Financial Management and Comptroller Directorate consolidates the quarterly bed night reports received from each Fisher House and submits to the Fisher House Foundation to request reimbursement.

13.6.5.2. Installation Commanders should require a Memorandum of Understanding be established between the installation, the supported Military Treatment Facility and any local supporting nonprofit organization(s) that supports the installation Fisher House. The Memorandum of Understanding should establish respective roles and responsibilities including funding responsibilities pursuant to AFI 65-106; procedures for the handling of gifts to the Fisher House and its residents from the nonprofit organization; procedures for the handling of gifts to the Fisher House from outside donors received by the nonprofit organization (and vice versa); use of the installation, Military Treatment Facility and Fisher House names and trade/Service marks, as well as governance and fiscal controls of the nonprofit organization. The Installation Commander should require that the nonprofit be recognized member of the installation's Private Organization Program, pursuant to AFI 34-223. (T-1)

13.6.6. Air Force Services Activity Commander approves or disapproves acceptance of contributions and donations to Air Force Fisher House Fund as depicted in [Table 13.1](#).

13.6.7. Volunteer services will be accepted in accordance with Air Force Instruction 34-101.

13.7. Occupancy.

13.7.1. Fisher House occupancy priorities are active duty enlisted first, active duty officers second, retired military third, VA beneficiaries fourth for families living 40 or more miles from the medical center, and all others fifth. Dependents have the same priorities as their sponsors.

13.7.2. The local medical treatment facility Commander may grant exceptions when warranted by unique circumstances.

13.7.3. If the Fisher House is full, check with the installation's Lodging operation to see if they can accommodate the guest. Installation Lodging will offer the guest the convenience of being on-installation.

Table 13.1. Acceptance Levels for Contributions and Donations (Gifts) to Air Force Fisher House Fund and Its Subaccounts.

Approving Official	Amount
Preapproved*	\$0 up to and including \$500
Installation Commander	More than \$500 up to and including \$50,000 and Combined Federal Campaign distributions in any amount**
Air Force Services Activity Commander	More than \$50,000 up to and including \$100,000
Air Force Fisher House Fund Board	More than \$100,000
<p>* Note: The Air Force Fisher House Fund Board has preapproved acceptance of all gifts to the Air Force Fisher House Fund and its subaccounts valued at \$500 or less and no other formal acceptance is required; however, all such gifts must be properly accounted for and recorded in the Air Force Fisher House Fund or the appropriate Fisher House subaccount.</p> <p>** Note: May delegate approval authority to Medical Treatment Facility commander for gifts over \$500 up to and including \$25,000.</p>	

Chapter 14

AIR FORCE CIVILIAN WELFARE FUND

14.1. General. This Chapter addresses the Air Force Civilian Welfare Fund, Air Force Civilian Welfare Fund Board, and installation Civilian Welfare Funds. It supersedes the obsolete Air Force Joint Instruction 34-122, *Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities*. It sets forth policies and procedures governing the establishment, operation, control, and dissolution of civilian Nonappropriated Fund Instrumentalities. The purpose of the Air Force Civilian Welfare Fund Board is to financially support Morale, Welfare, and Recreation programs for Department of Defense employees as authorized by Department of Defense Instruction 1015.08, *Department of Defense Civilian Employee Morale, Welfare, and Recreation (MWR) Activities and Supporting Nonappropriated Fund Instrumentalities (NAFI)*. These programs and activities provide employee food and other resale, recreation, and welfare services, thereby enhancing the quality of work-life for civilian personnel at Air Force installations. Civilian Welfare Funds are authorized by Department of Defense resale policy to operate on installations, in buildings, or in areas where the workforce is predominantly civilian.

14.1.1. The Air Force Civilian Welfare Fund Board:

14.1.1.1. Membership:

14.1.1.1.1. Deputy Director of Services, Chairperson.

14.1.1.1.2. Director, Air Force Civilian Force Management, Member.

14.1.1.1.3. Director, Air Force Services Activity Installation Support Directorate, Member.

14.1.1.1.4. Air Force Installation Mission Support Center Detachment 6 Commander, Member.

14.1.1.1.5. Air Force Material Command, Director of Manpower, Personnel and Services, Member.

14.1.1.2. Support Personnel:

14.1.1.2.1. Air Force Services Activity Air Force Civilian Welfare Fund Program Manager serves as Executive Secretary.

14.1.1.2.2. Air Force Services Activity Financial Management and Comptroller Directorate, Air Force Civilian Welfare Fund Custodian.

14.1.1.2.3. Air Force Judge Advocate General, Legal Advisor (or designee).

14.1.1.2.4. Assistant Secretary of the Air Force for Cost and Economics, Business Management Division Financial Advisor (or designee).

14.1.1.3. Is responsible for the administration, solvency, and operation of all Air Force civilian Nonappropriated Fund Instrumentalities including the Air Force Civilian Welfare Fund Board, the successor Nonappropriated Fund Instrumentality for all other civilian Nonappropriated Fund Instrumentalities.

14.1.1.4. Approves or disapproves the establishment or disestablishment of civilian Nonappropriated Fund Instrumentalities.

14.1.1.5. Establishes policies for administration and operation of civilian Nonappropriated Fund Instrumentalities and use of civilian nonappropriated funds.

14.1.1.6. Controls the use, distribution, and disposition of civilian Nonappropriated Fund Instrumentality assets to ensure availability based on demonstrated civilian Morale, Welfare, and Recreation program needs.

14.1.1.7. Approves or disapproves audit plans for all civilian Nonappropriated Fund Instrumentalities, construction and renovation projects in excess of \$200,000 for all civilian Nonappropriated Fund Instrumentalities, all transfers of assets between civilian Nonappropriated Fund Instrumentalities and any other Nonappropriated Fund Instrumentalities, and acceptance of contributions and donations for all civilian Nonappropriated Fund Instrumentalities.

14.1.1.8. Approves or disapproves loans and grants to installation-level civilian Nonappropriated Fund Instrumentalities, based on sound financial principles with adequate justification. Loans and grants are not to mask poor financial and/or management performance.

14.1.1.9. Monitors submissions to the Commanders Nonappropriated Fund Sustainment Program.

14.1.2. Installation commander responsibilities for Civilian Welfare Funds are in [paragraph 2.3](#). In addition, the installation commander will ensure the following items are addressed:

14.1.2.1. Conduct a survey at least triennially to determine the need for employee services, Morale, Welfare, and Recreation activities, and supporting Civilian Welfare Funds. In determining these needs, give particular attention to the following:

14.1.2.1.1. Requirements of employees with relation to location of work areas, working conditions, and work being performed.

14.1.2.1.2. Availability of comparable Morale, Welfare, and Recreation facilities, services, and activities either on the installation or in reasonably available adjacent communities.

14.1.2.1.3. Interest of employees to participate in the operations of the activities, including volunteer help.

14.1.2.2. Identify installation buildings and areas occupied predominantly by civilian employees. Initiate or take requests to establish base restaurant and/or vending operations in all locations, where feasible.

14.1.2.3. Provides appropriated fund support in accordance with Air Force Instruction 65-106.

14.1.3. The Force Support Squadron commander/director is responsible for the day-to-day operation and financial oversight of the installation Civilian Welfare Fund. Responsibility for the execution of the triennial survey, Nonappropriated Fund Instrumentality profitability, capital requirements, food and beverage operations, and vending quality of service will reside with this individual. Force Support Squadron leadership, in conjunction with the installation Nonappropriated Fund Council, will report results of operations and capital requirements through the chain of command to the Air Force Civilian Welfare Fund Board.

14.1.4. The custodian of the installation Civilian Welfare Funds, unless otherwise designated by the installation commander, is the Resource Manager for the Force Support Squadron/Division. Custodian responsibilities are detailed in [paragraph 2.5](#).

14.2. Joint-Funded Projects.

14.2.1. Jointly funded projects between Civilian Welfare Funds and other Nonappropriated Fund Instrumentalities located on the installation are encouraged. They may range from picnics to construction. The specific authority levels in [Table 14.1](#) must be followed. Any and all expenditures are limited by budgetary constraints and prudent fiscal decision-making.

14.2.2. Transfers or payments to other Nonappropriated Fund Instrumentalities are limited to joint-project funding, goods purchased, or services received.

14.2.3. Approval authorities for Civilian Welfare Fund construction follow the same guidelines as any other nonappropriated fund construction (see Air Force Instruction 32-1022). However, note Air Force Civilian Welfare Fund Board approval is required for all Civilian Welfare Fund construction/renovation in excess of \$200,000.

14.3. Civilian Welfare Fund Employees.

14.3.1. Are Department of Defense nonappropriated fund civilian employees.

14.3.2. Are serviced by the local Force Support Squadron Human Resources Office and all actions/entitlements, etc., are governed by the applicable Air Force nonappropriated fund personnel instructions and manuals.

14.3.3. Are authorized membership in professional duty-related organizations in accordance with [paragraph 4.1.2](#).

14.4. Civilian Welfare Fund Assets. Are nonappropriated fund assets and governed by Air Force Instruction 34-204, paragraphs 14.1.1.4 and 14.1.1.5.

14.5. Civilian Welfare Fund Contracting. All purchases will be made within the proper limits and authorities as prescribed by Air Force Manual 64-302.

14.6. Tax Status. Refer to Chapter 8 of this Air Force Instruction for specifics. The tax-exempt status of a Civilian Welfare Fund Nonappropriated Fund Instrumentality does not extend to its concessionaire contractors.

14.7. Randolph-Sheppard Vending Act. This Act (20 U.S.C. § 107 et seq), as amended, accords specified priorities, through state licensing agencies, to blind persons in operating vending facilities. It provides for the sharing of certain income from Nonappropriated Fund Instrumentality vending machine sales under specified conditions. It also contains provisions for a suitable site for a sales outlet to be operated by blind persons when a building is constructed, leased, or renovated. Any actions at the installation level involving this Act or contacts by State Licensing Agencies representing blind interests will be reported directly to Air Force Services Activity. Specific guidance can be found in Air Force Instruction 34-206, *Vending Facility Program for the Blind on Air Force Property*.

14.8. Authorized disbursements from the Air Force Civilian Welfare Fund Board. Disbursements are authorized for expenses incurred by the Air Force Civilian Welfare Fund Board, to include salary of the executive secretary, loans or grants to installation Civilian Welfare Fund Nonappropriated Fund Instrumentalities, costs of the Civilian Welfare Fund financial audits, and actions as the successor fund.

Table 14.1. Jointly Funded Projects.

Approving Official	Amount of Civilian Welfare Funds
Force Support Squadron Commander/Director	\$0 up to and including \$25,000
Installation Commander	More than \$25,000 up to and including \$50,000
Air Force Civilian Welfare Fund Board	More than \$50,000

SHON J. MANASCO
Assistant Secretary of the Air Force
(Manpower and Reserve Affairs)

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

Department of Defense Instruction 1015.08, *Department of Defense Civilian Employee Morale, Welfare, and Recreation (MWR) Activities and Supporting Nonappropriated Fund Instrumentalities (NAFI)*, 23 December 2005

Department of Defense Instruction 1015.10, *Military, Morale, Welfare, and Recreation (MWR) Programs*, 6 July 2009

Department of Defense Instruction 1015.15, *Establishment, Management, and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources*, 31 October 2007

Department of Defense 5500.07-R, *Joint Ethics Regulation (JER)*, 17 November 2011

Air Force Instruction 10-1004, *Conducting Air Force Open Houses*, 18 February 2010

Air Force Instruction 25-201, *Intra-Service, Intra-Agency, and Inter-Agency Support Agreements Procedures*, 18 October 2013

Air Force Instruction 31-101, *Integrated Defense (FOUO)*, 8 October 2009

Air Force Manual 33-363, *Management of Records*, 1 March 2008

Air Force Policy Directive 34-2, *Managing Nonappropriated Funds*, 21 June 2012

Air Force Instruction 32-1022, *Planning and Programming Nonappropriated Fund Facility Construction Projects*, 30 December 2015

Air Force Instruction 33-322, *Records Management Program*, 4 June 2012

Air Force Manual 33-363, *Management of Records*, 1 March 2008

Air Force Instruction 34-101, *Air Force Morale, Welfare, and Recreation (MWR) Programs and Use Eligibility*, 28 March 2013

Air Force Instruction 34-108, *Air Force Commercial Sponsorship and Sale of Advertising*, 12 October 2011

Air Force Joint Instruction 34-122, *Civilian Nonappropriated Funds and Morale, Welfare, and Recreation Activities*, 22 April 1988

Air Force Instruction 34-202, *Procedures for Protecting Nonappropriated Fund Assets*, 22 December 2015

Air Force Instruction 34-204, *Property Management*, 27 August 2004

Air Force Instruction 34-205, *Services Nonappropriated Fund Facility Projects*, 5 July 2011

Air Force Instruction 34-206, *Vending Facility Program for the Blind on Air Force Property*, 7 August 2012

Air Force Instruction 34-209, *Nonappropriated Fund Financial Management and Accounting*, 10 January 2005

Air Force Instruction 34-219, *Alcoholic Beverage Program*, 30 September 2016

Air Force Instruction 34-225, *Air Force Services Nonappropriated Fund Governance*, 19 October 2011

Air Force Instruction 34-301, *Nonappropriated Fund Personnel Management and Administration*, 16 April 2013

Air Force Manual 34-310, *Nonappropriated Fund Personnel Program Management and Administration Procedures*, 28 September 2011

Air Force Instruction 36-2807, *Air Force Deputy Chief of Staff, Operations, Plans and Requirements*, 7 August 2014

Air Force Instruction 51-301, *Civil Litigation*, 20 June 2002

Air Force Instruction 51-601, *Gifts to the Department of the Air Force*, 26 November 2003

Air Force Manual 64-302, *Nonappropriated Fund (NAF) Contracting Procedures*, 8 November 2016

Air Force Policy Directive 65-3, *Internal Auditing*, 28 August 2014

Air Force Instruction 65-106, *Appropriated Fund Support of Morale, Welfare, and Recreation (MWR) and Nonappropriated Fund Instrumentalities (NAFIS)*, 6 May 2009

Air Force Instruction 65-107, *Nonappropriated Funds Financial Management Oversight Responsibilities*, 1 December 1999

Air Force Instruction 65-301, *Audit Reporting Procedures*, 4 June 2014

Air Force Instruction 65-403, *Follow-up on Internal Air Force Audit Reports*, 2 June 1994

Air Force Instruction 65-501, *Economic Analysis*, 29 August 2011

Air Force Instruction 65-601, Volume 1, *Budget Guidance and Procedures*, 16 August 2012

Air Force Instruction 65-603, *Official Representation Funds*, 24 August 2011

Adopted Form

Air Force Form 847, *Recommendation for Change of Publication*

Attachment 2

NONAPPROPRIATED FUND COUNCIL MEETING MINUTES SAMPLE

Figure A2.1. Nonappropriated Fund Council Meeting Minutes Sample.

<p>(Appropriate Letterhead)</p> <p>FROM: (functional address symbol)</p> <p>SUBJECT: Minutes of the (name of the base) Nonappropriated Funds Council Meeting</p> <p>TO: (See Distribution)</p> <p>1. A (regular) (special) meeting of the Nonappropriated Funds Council, _____ Air Force Base, _____ was called to order by the chairperson at __(time)__, __(date)__. </p> <p>2. Attendance:</p> <p>a. Members present: (Grade, name, and organization) (List chairperson first, then members alphabetically by grade)</p> <p>b. Members absent: (Grade, names, and organization) (List reason if known)</p> <p>c. Others present: (Custodian, advisors, guests)</p> <p>3. The council reviewed the minutes of the preceding (regular) (special) meeting dated _____, and (accepted them as written) (accepted them as written subject to change--cite specifics).</p> <p>4. Review of most recent financial statement and comparison to budgets.</p> <p>5. Old business:</p> <p>a. Committee reports, if applicable.</p> <p>b. Other business previously discussed but not concluded.</p> <p>c. Note for record any out-of-session actions since last meeting.</p> <p>d. Status of special allocations, if applicable.</p> <p>e. Status of special projects, if applicable.</p>
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6. New business:

- a. Review correspondence, audits, Inspector General reports, and directives from higher echelons of commands. (Include action taken and council recommendations.)
- b. Recommend changes in the policies, organization, or scope of the Nonappropriated Fund Instrumentality.
- c. Recommend approaches on financial matters (including budgets), security, fire protection, employee policies, maintenance, expenditures, and any other new business.

7. The following motions were made, seconded, and approved:

- a. To _____.
- b. That _____.

8. The meeting adjourned at____(time)____,____(date)____

Chairperson (grade, name)

Custodian (grade, name)

APPROVED/DISAPPROVED (List exceptions or changes desired.)

Commander

Date

(Write the minutes to summarize discussion points. If the council made and approved a motion, include a statement such as "See motion in paragraph 7." This notation helps management to consolidate council actions at one location for command action and future reference.)

- Distribution:
- Commander
 - Each Council member
 - Custodian
 - Activity Managers
 - Air Force Services Activity Installation Support Director

Attachment 3

SAMPLE NONAPPROPRIATED FUND INSTRUMENTALITY CHARTER (SEE NOTE)

Figure A3.1. Sample Nonappropriated Fund Instrumentality Charter.

The (name of the Nonappropriated Fund Instrumentality) is hereby established as a (applicable category; for example, lodging Nonappropriated Fund Instrumentality) for the purpose of _____ . It will be operated according to Air Force Instruction 34-201 and other applicable directives. The successor Nonappropriated Fund Instrumentality is _____ .

REQUESTING COMMANDER
(name, grade, and signature)

APPROVING OFFICIAL
(name, grade, and signature)

Note: A copy of each approved Charter will be forwarded and retained by Air Force Services Activity Financial Management and Comptroller Directorate, 2261 Hughes Ave, Suite #156, Lackland Air Force Base TX 78236-9854.

Attachment 4

**CHECKLIST FOR DISSOLVING A NONAPPROPRIATED FUND
INSTRUMENTALITY**

Figure A4.1. Checklist for Dissolving a Nonappropriated Fund Instrumentality.

	Days before dissolution (D-Day)
1. Review operating budget for the final 180 days; submit to the successor Nonappropriated Fund Instrumentality custodian for approval.	D-240
2. Prepare a time-phased plan to terminate operations.	D-210
3. Put the revised budget in operation. Check and revise it monthly, as needed, and submit it to successor Nonappropriated Fund Instrumentality custodian for approval.	D-180
4. Discontinue off-shore contracting, if applicable.	D-180
5. Limit expenditures to those that liquidate liabilities or pay essential operating costs and prevent loss in net earnings before dissolution.	D-180
6. Prepare reduction-in-force plan, coordinate with Human Resource Office/Civilian Personnel Office, and notify employees.	D-180
7. Notify vendors of dissolution, cancel outstanding orders, and tell the successor Nonappropriated Fund Instrumentality custodian of all en-route shipments that cannot be canceled.	D-180
8. Send a letter to the contracting office to terminate all construction.	D-180
9. Review outstanding obligations to recognize and record liabilities, especially those concerning personnel (severance pay, bonuses, and retroactive increases).	D-180
10. Inventory nonexpendable property to determine if it is serviceable; start disposition.	D-180
11. Initiate time-phased plan.	D-90
12. Notify Air Force Audit Agency Area Audit Office of the pending dissolution.	D-90
13. End credit sales and check cashing, if applicable.	D-90

14. Arrange to cancel contracts including concessionaire agreements; request rebates of premiums, advance payments, deposits, and so forth.	D-30
15. Convert investments to cash or transfer ownership of Government securities to successor Nonappropriated Fund Instrumentality as directed and if applicable.	D-30
16. Purify accounts receivable, begin collections, request Military Pay Orders, make write-offs, and so forth.	D-30
17. Reduce purchases of salable merchandise and supplies to end up with a minimum on hand on D-Day.	D-30
18. Arrange to turn-in unserviceable property to Defense Reutilization Marketing Office. Determine disposition of serviceable property.	D-30
19. List all remaining resale items and forward to the successor Nonappropriated Fund Instrumentality custodian for redistribution.	D-30
20. Ask contractors and vendors to submit final bills by D-15; liquidate obligations.	D-30
21. Arrange to return resale items to commissary.	D-15
22. Close bank accounts and pay any remaining obligations; send excess cash, unsettled liabilities, claims, uncollected accounts, terminal financial statements, and terminal audit, if available, to the successor Nonappropriated Fund Instrumentality.	D-Day
23. Complete final reports and other actions required locally (workers' compensation, income and FICA taxes, unemployment compensation, W-2 forms, and so forth).	D-Day
24. Dispose of all documentation according to Air Force Manual 33-363.	D-Day

Attachment 5

**SOURCES OF FUNDS FOR MORALE, WELFARE, AND RECREATION FUND
ACTIVITIES (CATEGORIES A AND B)**

Figure A5.1. The following matrix provides examples of the proper fund source in base-level Morale, Welfare, and Recreation Fund activities.

Example	Policy	Exceptions
Facility Projects	Air Force Instruction 32-1022 specifies the proper fund source for appropriated fund and nonappropriated fund community facilities.	Waivers to fund source require office of Secretary of Defense approval with the exception of visiting quarters and outside continental United States youth facilities which can be waived by Deputy Assistant Secretary (Cost and Economics). In addition, waivers to fund source for facility maintenance and repair require Deputy Assistant Secretary (Cost and Economics) approval after coordination with Director of Air Force Civil Engineer. Deputy Assistant Secretary (Budget) approval is required to use Nonappropriated Funds for environmental compliance in Category A and B activities.
Personnel	Manpower standards identify appropriated fund areas of responsibility. Nonappropriated funds may not be used in lieu of appropriated funds.	Waivers may be granted by Directorate of Services, Headquarters, United States Air Force and Deputy Assistant Secretary (Cost and Economics) on a case-by-case basis to use nonappropriated funds in lieu of appropriated funds. Waivers will be reviewed annually and authority to grant waivers is not delegable. Submit waiver requests to Air Force Services Activity Installation Support Directorate for processing who will coordinate the request with Air Force Installation Mission Support Center Resource Manager and Air Force Services Activity Commander prior to submitting to Directorate of Services, Headquarters, United States Air Force and Deputy Assistant Secretary (Cost and Economics). Each organization level may disapprove requests without forwarding the requests to the next level. Only recommendations for approval should be forwarded to the next higher organization level.

<p>Equipment and Supplies</p>	<p>Equipment and Supplies authorized appropriated fund support by Air Force Instruction 65-106. Equipment designated appropriated fund by the Allowance Standard.</p>	<p>Waivers to use nonappropriated funds to temporarily fund supplies and equipment, in lieu of appropriated funds may only be granted by the Air Force Services Activity Commander with coordination from Air Force Installation Mission Support Center Resource Manager. Submit waiver requests to Air Force Services Activity Installation Support Directorate for processing. Note: This waiver authority should only be used in case of a sudden or unexpected emergency situation requiring immediate action.</p>
<p>NOTE: See Air Force Instruction 65-106 for additional authorization, e.g., maintenance and repair, utilities, etc., and also for funding policies for lodging funds.</p>		

Attachment 6

SPECIAL MORALE AND WELFARE EXPENDITURE REPORT

Figure A6.1. Special Morale and Welfare Expenditure Report.

SPECIAL MORALE AND WELFARE EXPENDITURE REPORT								
To: Air Force Services Activity Installation Support Directorate		From:	your unit name and address				Quarter Ending:	
Date of Event	Description of Event	Rule Number	For Whom/Guest of Honor (official title) (Rank/Grade, Name)	Unit/Office Symbol	# of Attendees		Specific Description/Quantity of Items/Services Purchased	Total Cost
					DoD	Non-DoD		
INDIVIDUAL RECOGNITION PROGRAMS:								
							SUB TOTAL:	
MEMORIAL OBSERVANCES:								
							SUB TOTAL:	
WELCOMING AND ORIENTING:								
							SUB TOTAL:	
CHANGE OR ASSUMPTION OF COMMAND CEREMONIES:								
							SUB TOTAL:	
Remarks:							QTR REPORT TOTAL:	
							YTD TOTAL:	
							ANNUAL BUDGET:	
Date Approved:		Commander Signature Block:				<i>Commander's Signature</i>		

Attachment 7

SAMPLE REQUEST FOR APPROVAL OF SPECIAL MORALE AND WELFARE EXPENDITURE

Figure A7.1. Sample Request for Approval of Special Morale and Welfare Expenditure.

(Appropriate Letterhead)	
FROM: (functional address symbol)	(date)
SUBJECT: Request for Approval of Special Morale and Welfare Expenditure	
TO: (Nonappropriated Fund Instrumentality Custodian)	
<p>1. State total amount requested and purpose. (Example: Request authorization for funds not to exceed \$_____ for cake and punch for SMSgt Smith's promotion ceremony.) Give a brief explanation and justification of the requirement in sufficient detail for adequate review and determination.</p>	
<p>2. Include:</p>	
<p>a. Date and place of function:</p>	
<p>b. Guest(s) of honor:</p>	
<p>c. Attendance: Department of Defense _____; Non-Department of Defense _____</p>	
<p>d. Light refreshments and beverage costs \$ _____; Average per person \$ _____</p>	
<p>e. Additional expenses (by item and amount):</p>	
<p>f. Senior officer hosting the function:</p>	
<p>g. Project officer and telephone number:</p>	
<p>_____</p> <p>(name, grade, and title of originator)</p>	
1st Ind	(date)
To: _____	
Appropriated Funds (are) (are not) authorized for this request.	
<p>_____</p> <p>(name, grade, and title of installation financial manager)</p>	

2nd Ind (date)

To: _____

The requested expenditure is authorized under Air Force Instruction 34-201. Recommend (approval) (disapproval).

(name, grade, and title of Nonappropriated Fund Instrumentality custodian)

3rd Ind (date)

To: (Nonappropriated Fund Instrumentality Custodian)

The above request is approved in an amount not to exceed \$_____. Notify the originator of this approval and prepare documentation for obligation of the funds involved.

Commander or person with approval authority

Attachment 8

SAMPLE OFFER OF GIFT AND ACCEPTANCE TEMPLATES

Figure A8.1. Sample Offer of Gift and Acceptance Templates.

A. Sample Offer of Gift to an Air Force Nonappropriated Fund Instrumentality – Individual:

SAMPLE - TICKET EVENT OFFER TO AN AIR FORCE NONAPPROPRIATED FUND INSTRUMENTALITY

(Donated Tickets/Passes to a nonappropriated fund instrumentality (Nonappropriated Fund Instrumentality) of the U.S. Government for Distribution to the Troops)

Name of Offeror

Address

Date:

Appropriate Air Force Installation or other Commander

Address

To Whom It May Concern:

(I hereby offer to give) (The XYZ Company hereby offers to give), free and clear of all encumbrances, the following described tickets/passes to the (Name of Nonappropriated Fund Instrumentality, e.g., Randolph Air Force Base Morale, Welfare, and Recreation Fund), a nonappropriated fund instrumentality of the United States Government, for distribution to Air Force military members and other authorized Morale, Welfare, and Recreation Program patrons and their family members, as appropriate, at (Name of Installation).

Description of Tickets/Passes: (Examples: football tickets, concert tickets, rodeo passes)

Face value (\$ cost) of each Ticket/Pass: \$ _____

Number of Tickets/Passes provided: _____

Total value of Gifted Tickets/Passes: \$ _____

I certify that the cost of this gift will not be charged to any Government contract and all ownership rights to the gifted items will be relinquished if accepted. I also understand that (neither my business nor I will) (I will not) receive any special favors or treatment as a result of this gift. If any additional information is needed, please contact me at (phone number and email address.)

(Name of Person making the offer and signature)

NOTE: The format can be modified as desired by the offeror; however, the essential elements in the body of the offer must be included.

(Air Force Services Activity Judge Advocate, Sample Ticket Event Offer)

NOTE: If the Offer of Gift is from a corporation, replace the above signature element and add the following Attestation clause and signature element for the individual (officer of the corporation) signing the offer on behalf of the corporation. The Certificate should then follow after the signature block.

IN WITNESS WHEREOF the (Name of Corporation,) has caused this instrument to be executed by [Name of person signing and office held (President/Vice-President, etc.)] for and on behalf of (Name of Corporation), this _____ day of _____, 20XX.

(Example: XYZ Corporation) _____

By

(Name of person signing the offer) _____

(President/Vice-President, etc.) (Signature)

CERTIFICATE:

I, (Name of Corporate Secretary or other officer-but cannot be the same person who signed the Offer of Gift), certify that I am the (Title of Officer) of (Name of Corporation,) a corporation, that (Name of person signing Offer of Gift), the individual signing the Offer of Gift, dated _____ 20XX, on behalf of the corporation, is the (President/Vice-President/Other Office held) of the (Name of Corporation,) and that said Offer of Gift was duly signed for and on behalf of said corporation by authority of its governing body and the making of this gift is within the scope of its corporate powers.

(Date) _____ (Name) _____
(Signature)

Corporate Seal (If Available)

(Air Force Services Activity Judge Advocate, Sample Ticket Event Offer)

B. Sample Offer of Gift to an Air Force Nonappropriated Fund Instrumentality – Corporation:

**SAMPLE - OFFER OF GIFT TO AN AIR FORCE NONAPPROPRIATED FUND
INSTRUMENTALITY - CORPORATION**

Name of Offeror
Address

Date:

Appropriate Air Force Installation or other Commander
Address

OFFER OF GIFT

To Whom It May Concern:

The XYZ Company Inc., a corporation, the owner of the property described below, acting by and through (Name of Corporate Officer Signing), (The President), (One of its Vice Presidents, etc.), does hereby voluntarily offer to give the following described property free and clear of all encumbrances, to the (Name of Nonappropriated Fund Instrumentality, e.g., Randolph Air Force Base Morale, Welfare, and Recreation Fund), a nonappropriated fund instrumentality of the United States Government, (insert conditions (if any) imposed on the donation/gift, for example - for the use and enjoyment of Air Force military members and other authorized Morale, Welfare, and Recreation program patrons, as appropriate), at (Name of stateside Installation, Name of Installation in the AOR, description of geographic area.)

(Description of Property) [Examples: Cash in the total amount of \$_____.
A Total Fitness Gym System, 15 sets of golf clubs, 1,000 golf balls, 50 bowling balls, 50 tennis rackets, 100 American flags, etc.], for a total donation/gift valued at \$_____.

I certify that the cost of this gift will not be charged to any Government contract and all ownership rights to the gifted items will be relinquished if accepted. I also understand that neither the corporation nor I will receive any special favors or treatment as a result of this gift.

If any additional information is needed, please contact me at (phone number) or (email address).

IN WITNESS WHEREOF (Name of Corporation,) has caused this instrument to be executed by [Name of person signing and office held (President/Vice-President, etc.) for and on behalf of (Name of Corporation), this _____ day of _____, 20XX.

(Example: XYZ Corporation)_____

By

(Name of person signing the offer)_____

(President/Vice-President, etc.) (Signature)

CERTIFICATE:

I, (Name of Corporate Secretary or other officer-but cannot be the same person who signed the Offer of Gift), certify that I am the (Title of Officer) of (Name of Corporation,) a corporation, that (Name of person signing Offer of Gift), the individual signing the Offer of Gift, dated _____20XX, on behalf of the corporation, is the (President/Vice-President/Other Office held) of the (Name of Corporation,) and that said Offer of Gift was duly signed for and on behalf of said corporation by authority of its governing body and the making of this gift is within the scope of its corporate powers.

(Date)_____ (Name)_____

Corporate Seal (If Available)

(Air Force Services Activity/Judge Advocate, Sample Gift Offer - Corporation)

C. Sample Letter of Acceptance of Gift to an Air Force Nonappropriated Fund Instrumentality (Individual or Corporate Donor):

**SAMPLE - LETTER OF ACCEPTANCE OF GIFT TO AN AIR FORCE
NONAPPROPRIATED FUND INSTRUMENTALITY
(Individual or Corporate Donor)**

Date:

Name of Appropriate Commander/Acceptance Authority
Address

Name of Offeror
Address

Dear (Mr. or Mrs.) (Name of Offeror):

I have received your (Date/Month/Year) offer of gift to the (Name of Nonappropriated Fund Instrumentality, e.g., Randolph Air Force Base Morale, Welfare, and Recreation Fund), a nonappropriated fund instrumentality of the United States Government, by which you (or if the donor is a corporation insert - by which you on behalf of the [Name of corporation or company] offered to give (description of donated personal property or funding provided) (state conditions imposed on gift if any; for example, \$10,000 to the XYZ Air Force Base Morale, Welfare, and Recreation Fund to be used to support youth sports programs for all eligible patrons at Name of Installation.)

Thank you for this kind offer and for supporting our military community. I hereby accept this gift to the (Name of Nonappropriated Fund Instrumentality). Your generous gift will be used in accordance with the conditions expressed in your offer.

Sincerely

(Signature

block of accepting authority)

NOTE: The format can be modified as desired by the acceptance authority; however, the essential elements in the body of the acceptance letter must be included.

(Air Force Services Activity Judge Advocate, Sample Acceptance Letter)

D. Sample Ticket Event Offer to an Air Force Nonappropriated Fund Instrumentality:

SAMPLE - OFFER OF GIFT TO AN AIR FORCE NONAPPROPRIATED INSTRUMENTALITY - INDIVIDUAL

Name of Offeror

Address

Date:

Appropriate Air Force Installation or other Commander

Address

OFFER OF GIFT

To Whom It May Concern:

I, (Name) the owner of the property listed and described below, do hereby voluntarily offer to give the said property, free and clear of all encumbrances, to the (Name of Nonappropriated Fund Instrumentality, e.g., Randolph Air Force Base Morale, Welfare, and Recreation Fund), a nonappropriated fund instrumentality of the United States Government, (insert conditions (if any) imposed on the donation/gift, for example - for the use and enjoyment of Air Force military members and other authorized Morale, Welfare, and Recreation program patrons, as appropriate), at (Name of stateside Installation, Name of Installation in the AOR, description of geographic area, etc.)

(Description of Property) [Examples: Cash in the total amount of \$_____.
A Total Fitness Gym System, 15 sets of golf clubs, 1,000 golf balls, 50 bowling balls, 50 tennis rackets, 100 American flags, etc.], for a total donation/gift valued at \$_____.

I certify that the cost of this gift will not be charged to any Government contract and all ownership rights to the gifted items will be relinquished if accepted. I also understand that I will not receive any special favors or treatment as a result of this gift.

If any additional information is needed, please contact me at (phone number) or (email address).

(Name and Signature of Offeror)

(Air Force Services Activity Judge Advocate, Sample Gift Offer - Individual)

E. Sample Acceptance Letter for Ticket Event Gift to an Air Force Nonappropriated Fund Instrumentality:

SAMPLE - ACCEPTANCE LETTER FOR TICKETED EVENT GIFT TO AN AIR FORCE NONAPPROPRIATED FUND INSTRUMENTALITY

(Donated Tickets/Passes to a (Nonappropriated Fund Instrumentality) for Distribution to the Troops)

Date:

Name of Appropriate Commander/Acceptance Authority
Address

Name of Offeror
Address

Dear (Mr. or Mrs.) (Name of Offeror):

I have received your (Date/Month/Year) offer of gift to the (Name of Nonappropriated Fund Instrumentality, e.g., Randolph Air Force Base Morale, Welfare, and Recreation Fund), a nonappropriated fund instrumentality of the United States Government, in which you offered to provide (number) (tickets/passes) to the upcoming (name of special event), scheduled for (dates), at (location), for distribution to our military members and other authorized Morale, Welfare, and Recreation Program patrons at (Name of Installation.)

Thank you for this kind offer and for supporting our military community. I hereby accept this gift to the (Name of Nonappropriated Fund Instrumentality). The donated (tickets or passes) will be distributed as specified in the terms of your generous offer.

Sincerely

(Signature block of
accepting authority)

NOTE: The format can be modified as desired by the acceptance authority; however, the essential elements in the body of the acceptance letter must be included.

(Air Force Services Activity Judge Advocate, Sample Ticket Event Acceptance Letter)